

THE COMPANIES ACT 1985

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES  
OF ASSOCIATION

of

L.A. FITNESS PLC

COMPANY NUMBER : 2357146



# MEMORANDUM OF ASSOCIATION

OF

## L.A. FITNESS PLC

(Name changed from Hurstree plc by Special Resolution passed 17 July 1989)

1. The Company's name is L.A. Fitness plc.
2. The Company is to be a public company.
3. The Registered Office of the Company will be situated in England or Wales.
4. The objects for which the Company is established are:-
  - A. To carry on business as managers proprietors and opertors of health clubs and leisure centres of every description and in particular sauna baths, massage rooms and beauty parlours; to provide training and tuition facilities of remedial exercises; keep fit classes and leisure activities of every description as may be determined by the Company and to carry on business within and without the United Kingdom as manufacturers, wholesalers, factors, retailers, distributors, agents and importers and exporters of goods, materials and finished products of any and every description; to purchase, take on lease, rent or in exchange or otherwise acquire any assets or property of any and every description as may be necessary for the purposes of carrying on the aforesaid businesses; to deal generally in raw materials and consumables of every description; to carry on business as financiers and industrial bankers and to loan and advance money to persons, firms or companies having dealings with the company to provide such services as may be required by persons having dealings with the company of any description and to carry on any there trade or business whatsoever which can in the opinion of the Company be conveniently or advantageously carried on in connection with or by way of extension of any such business or trade or is calculated indirectly or directly to develop any branch of the business or activities of the Company to increase the value of or turn to account any of the Company's rights, property or assets.

- (S) To acquire and hold by way of investment either in the name of the Company, or in that of any nominee, all or any part of the shares, stocks, debentures, debenture stock or other interests of or in any company wherever incorporated or carrying on business, and to vary all or any of such investments from time to time as may be considered expedient.
- (C) To acquire any such shares, stocks, debentures, debenture stocks or other interests by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
- (D) To exercise and enjoy all rights, powers and privileges and fulfil the obligations conferred or imposed by or incident to the ownership of any such shares, stocks, debentures, debenture stocks or other interests.
- (E) To provide managerial, executive, administrative, financial, supervisory and consultant services and undertake any duties either for or in relation to or on behalf of any company in which the Company is interested, or generally and in each case, either without remuneration or on such terms as to remuneration as may be agreed, and generally upon such terms as may be thought fit.
- (F) Either directly or indirectly (including, but without prejudice to the generality of the foregoing, through the medium of any one or more subsidiary or associated companies) to enter into, carry on, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings, activities and businesses of every description and generally to do all such things whatsoever as, in the opinion of the Directors of the Company, may be advantageously carried on by the Company or are calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights.
- (G) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
- (H) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.

- (I) To erect, construct, lay down, maintain, enlarge, alter, pull down, remove or replace all such buildings or other works or plant and machinery as may be necessary or convenient for the Company's business, and to contribute to or subsidise the doing of any such things.
- (J) To guarantee, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, or by both such methods, the performance of the obligations of and the repayment or payment of the principal amounts of, and premiums, interest and dividends on, any securities of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company (as defined by Section 736 of the Companies Act 1935) or a subsidiary (as defined by the said Section) of the Company or another subsidiary of the Company's holding company or otherwise associated with the Company in business.
- (K) To borrow or raise or secure the payment of money for the purpose of or in connection with the Company's business.
- (L) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount and for such consideration and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, or any other securities which the Company has power to issue by way of mortgage and also by way of security for the performance of any contracts or obligations of the Company or other persons or corporations having dealings with the Company or in whose business or undertakings the Company is interested, whether directly or indirectly, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (M) To lend, invest and deal with the moneys of the Company upon such securities and in such manner as may from time to time be determined and to advance money or give credit to such persons and on such terms as may seem expedient.
- (N) To receive money on deposit or loan upon such terms as the Company may approve and to give whether gratuitously or otherwise guarantees or indemnities and whether in respect of its own obligations or those of some other person or company.
- (O) To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or of any company which is for the time being the Company's holding company or a subsidiary of the Company or another subsidiary of that holding company (each such expression being defined as aforesaid) or the dependants or connections of any of such persons, to establish and maintain

or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions, insurances and other benefits for any such persons as aforesaid, their dependants or connections and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the Directors of the Company, be calculated directly or indirectly to benefit the Company or its officers or employees or the officers or employees of any such holding company or subsidiary as aforesaid and to institute and maintain any club or other establishment or profit sharing or incentive scheme calculated to advance the interests of the Company or its officers or employees or the officers or employees of any such holding company or subsidiary as aforesaid.

- (P) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- (Q) 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 or special rights or restrictions in respect of dividend, repayment of capital, voting 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.
- (R) 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 or stock of any company or corporation with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (S) To amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company, and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such company.
- (T) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of

the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.

- (U) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on, or the carrying on of which is calculated to benefit this Company or to advance its interests, or possessed of property suitable for the purposes of this Company.
- (V) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) for the time being required by law.
- (W) To pay all or any of the incorporation and other preliminary expenses of the Company.
- (X) To do all or any of the above things in any part of the world and either as principals, agents, trustees, nominees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (Y) To do all such other things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership, Government or any statutory, municipal or public body, any body corporate, association, syndicate or other body of persons, whether incorporated or unincorporated, and whether domiciled in the United Kingdom or elsewhere, and that the objects specified in each of the paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the order in which the same occur or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate distinct and independent company.

5. The liability of the members is limited.

6. The share capital of the Company is £436,663.50 divided into 555,555 Ordinary Shares of 50p each and 138,888 'A' Participating Preference Shares of £1 each and 2,000,000 'B' Ordinary Shares of 1p each\*

The Company has power to increase the share capital and to divide the shares (whether original or increased) into several classes and attach thereto any preferred, deferred or other special rights, privileges or conditions as regards dividends, repayment of capital, voting or otherwise.

\*Decreased from £1,000,000 and the creation of the 'B' Ordinary Shares of 1p each by Special Resolution passed 3rd August 1993.

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

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Number of Shares  
taken by each  
Subscriber

JOSEPH ANTHONY HAMMOND  
1 3 Leonard Street,  
City Road,  
London, EC2A 4AQ

ONE

CHARTERED SECRETARY

RAYMOND PAUL KALMAN  
1/3 Leonard Street,  
City Road,  
London, EC2A 4AQ

ONE

COMPANY SECRETARY

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Dated this            1st            day of            February            1989

WITNESS to the above signatures:-

MICHAEL NORMAN CLAFF  
1/3 Leonard Street,  
City Road,  
London, EC2A 4AQ

CHARTERED ACCOUNTANT

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

L.A. FITNESS PLC

(adopted by Special Resolution passed 18th September 1989  
and amended by Special Resolution passed 3rd August 1993)

PRELIMINARY

1. The regulations in Table A made under Section 8 of the Companies Act 1985 (and any Table A or other model regulations applicable to the Company under any other enactment relating to companies) shall not apply to the Company.
2. In these Articles (if not inconsistent with the subject or context) the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS

MEANINGS

Act

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

Articles

These Articles of Association as from time to time altered by Special Resolution.

Board

The Board of Directors for the time being of the Company or the Directors



-2-  
present at a duly convened meeting of Directors at which a quorum is present.

Chairman

The Chairman of the Board.

Clear Days

In relation to the period of a notice, means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

Company

L.A. Fitness PLC or such other name by which the Company may for the time being be registered in accordance with the Act.

Directors

The Directors for the time being of the Company.

Dividend

Dividend and/or bonus.

Executed

Includes any mode of execution.

Holder

A member of the Company whose name is entered in the Register as holder of shares or stock.

in writing

Written or produced by any substitute for writing or partly written and partly so produced.

Month

Calendar month.

Office

The registered office for the time being of the Company.

Register

The register of members of the Company.

Seal

The Common Seal of the Company.

Secretary

The Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint assistant or deputy secretary.

Statutes

The Companies Act 1985 and every other Act from time to time in force concerning companies and affecting the Company.

Transfer Office

The place where the Register is situate.

United Kingdom

The United Kingdom of Great Britain and Northern Ireland.

Year

Calendar year.

Words denoting the singular number only shall include the plural number also and vice versa; wording denoting the masculine gender only shall include the feminine gender also; words denoting persons only shall including corporations.

All such provisions of these Articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Save as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject to context) bear the same meanings in these Articles.

Reference to any statute or provision of any statute shall be construed as a reference to any statutory modification or re-enactment thereof from time to time in force.

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

3. The capital of the Company at the date of adoption of this Article is £436,665.50 divided into 138,888 'A' Participating Preference Shares of £1 each ("A' Shares"), 555,555 Ordinary Shares of 50p each ("Ordinary Shares") and 2,000,000 'B' Ordinary Shares of 1p each ("B' Ordinary Shares").
4. The rights attaching to the 'A' Shares, the Ordinary Shares and the 'B' Ordinary Shares shall be as follows:
  - (1) as regards income: any profits of the Company which it shall from time to time determine to distribute by way of dividend or other distribution shall be divided between the holders of the 'A' Shares, Ordinary Shares and 'B' Ordinary Shares pro rata to their respective holdings of shares in the Company by reference to the number of shares and not to the amount paid up or deemed to be paid up thereon;
  - (2) as regards the capital: on a return of capital on liquidation or otherwise, the assets of the Company available for distribution amongst the Shareholders shall be applied in paying rateable to the holders of the 'A' Shares, Ordinary Shares and 'B' Ordinary Shares the amount paid up on such shares respectively including any premium paid up thereon; any assets remaining shall be divided between the holders of the 'A' Shares, Ordinary Shares and 'B' Ordinary Shares, each share ranking equally.

#### CLASS CONSENTS

5. Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class may be varied (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 express consent in writing of the Holders of at least three fourths of the nominal amount of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate Meeting of the Holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking pari passu with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to the shares of that class) be deemed to be a variation of the rights of such shares.
6. Any Meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same

way as an Extraordinary General Meeting of the Company provided that no member, not being a Director, shall be entitled to notice thereof, or to attend thereat, unless he be a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such Meeting shall be two persons present (at least) holding, or representing by proxy, at least one third in nominal value of the issued shares of the class, and at an adjourned Meeting, shall be one person holding any shares of the class in question, or his proxy, and that a poll may be demanded in writing by any member present in person or by proxy and entitled to vote at the Meeting or adjourned Meeting.

#### ALTERATION OF CAPITAL

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum and divided into shares of such amounts as the resolution shall prescribe.
8. (A) Subject to the Statutes the Company may by Special Resolution:-
  - (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (2) cancel any shares which, at the date of the passing of the resolution, have not been subscribed;
  - (3) sub-divide any of its shares into shares of smaller amount than is fixed by the Memorandum of Association.
9. Subject to any direction by the Company in General Meeting, whenever, as the result of any consolidation or sub-division and consolidation of shares, members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine, and in particular may sell the shares to which members are so entitled in fractions for the best price reasonably obtainable, and pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof.

For the purpose of giving effect to any such sale, the Directors may nominate some person to execute a transfer of the shares sold on behalf of the members so entitled to the purchase thereof, who shall be entered in the Register as the holder of the shares comprised in any such transfer, and such purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

10. The Company may by Special Resolution reduce its share capital or any capital redemption reserve or share premium account in any manner and with, and subject to, any incident authorised and consent required by law.

#### PURCHASE OF SHARES

11. Subject to the provisions of the Act, the Company may purchase its own shares, including any redeemable shares, provided that no purchase by the Company of its own shares will take place unless it has been sanctioned beforehand by an Extraordinary Resolution passed at a separate class meeting of the holders of any convertible shares carrying rights of conversion into the class of share proposed to be purchased by the Company.

#### SHARES

12. Subject to the provisions of the Statutes and Article 13, the Board is unconditionally authorised for the purpose of Section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for shares up to the amount of the authorised share capital of the Company unissued at the date of adoption of these Articles. The Board's authority to allot unissued shares of the Company shall continue unless previously revoked or varied by the Company in general meeting, until the fifth anniversary of the adoption of these Articles. The Board may after that period allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may, subject to and to the extent permitted by the Statutes, be renewed by the Company in general meeting.

13. Subject to the provisions of the Statutes and Articles 4(B) and 12 hereof, the unissued shares in the Company shall be at the disposal of the Board and the Board may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as it thinks proper. The Board is empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by Article 12 hereof provided that this authority shall expire on the fifth anniversary of the adoption of these Articles unless and to the extent that such authority is renewed or extended prior to or on such date and save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The Board is empowered to allot any shares in the capital of the Company to which the foregoing authority relates as if Section 89 (1) of the Act did not apply to such allotment.
14. The Company may exercise the powers of paying commissions conferred by the Statutes. Such commission may be satisfied in cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
15. Except as required by the Statutes, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound to recognise any interest in any share or any other right in respect of any share, except an absolute right to the entirety thereof in the Holder.

#### CERTIFICATES

16. Share certificates shall be issued under the Common Seal of the Company, or under the Official Seal kept by the Company by virtue of Section 40 of the Act.
17. Subject to Article 41, every member (except a Stock Exchange nominee in respect of whom the Company is not required by law to complete and

have ready a certificate) shall be entitled within (a) in the case of a renounceable allotment, one month after the date of expiration of any right of renunciation or (b) twenty-eight days after any other allotment, or after lodgment with the Company of a transfer, and without payment, to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a member transfers part of the shares of any class registered in his name, he shall be entitled, without payment, to one certificate for the balance of shares retained by him. Every such certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon. If any member shall require additional certificates, he shall pay for each additional certificate all reasonable out-of-pocket expenses incurred by the Company in providing the same, as the Directors shall determine.

18. (A) If any certificate be worn out or defaced, then upon delivery thereof to the Directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity, with or without security, as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.
- (B) Every certificate issued under this Article shall be issued without payment, but there shall be paid to the Company a sum equal to any exceptional expenses incurred by the Company of any such indemnity and security as is referred to in that Article.
- (C) The Company shall not be bound to issue more than one certificate in respect of shares registered in the name of two or more persons and such certificate shall be delivered to the person first named in the Register in respect of such shares.

#### **CALLS ON SHARES**

19. The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the

nominal value of the shares or by way of premium). Each member shall (subject to receiving at least fourteen Clear Days' notice specifying the time or times and place of payment) pay to the Company the amount called on his shares. A call may wholly or in part be revoked or postponed as the Board may determine.

20. 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.
21. The joint Holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
22. If a call remains unpaid 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 it became due and payable until it is paid at the rate determined by the Board but the Board may waive payment of the interest wholly or in part.
23. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call and if it is not paid the relevant provisions of these Articles shall apply as if such sum had become payable by virtue of a call.
24. The Board may, on the issue of shares, differentiate between the Holders as to the amount of calls to be paid and the time of payment.
25. 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; and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by Ordinary Resolution, the appropriate rate aforesaid) as the member paying such sum in advance and the Directors agree upon; but a payment in advance of a call shall not entitle the Holder of the shares to participate in



respect of the payment in a dividend declared after the payment but before the call.

#### FORFEITURE AND LIEN

26. If a Holder fails to pay any call by the due date, the Board may serve a notice on him requiring payment of the call together with any interest which may have accrued thereon.
27. The notice shall name a further day (which shall be not less than fourteen Clear Days from the date of service 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 in accordance with the notice the shares on which the call was made will be liable to be forfeited.
28. If such notice is not complied with, any share in respect of which such notice has been given may, before payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends or other moneys payable which are not paid before forfeiture.
29. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before such forfeiture or surrender, the Holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Board may think fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid. Any share which has been forfeited or surrendered and which has not been disposed of as aforesaid shall be cancelled by resolution of the Board within the period specified in and otherwise in accordance with the Statutes.
30. A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall remain liable to pay to the Company all moneys which at the date of forfeiture or surrender

were presently payable by him to the Company in respect of the shares with interest thereon at fifteen per cent per annum (or at such other rate as the Board may approve) from the date of forfeiture or surrender until payment as well after as before judgment therefor but the Board may waive payment of such interest either wholly or in part and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

31. 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. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Board may waive any lien which has arisen and may resolve that any share shall be exempt wholly or partially from the provisions of this Article.
32. The Company may sell in such manner as the Board may think fit any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen Clear Days after notice has been given to the Holder of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law demanding payment and stating that if the notice is not complied with the shares may be sold.
33. The net proceeds of sale under the preceding Article, after payment of the costs of such sale, shall be applied in payment of so much of the sum for which the lien is presently payable and any residue shall (subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise such person to transfer the shares sold to the purchaser.
34. A written statutory declaration by a Director or the Secretary that a share has been duly forfeited shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration 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 disposed of shall be registered as the Holder and shall not be bound to see to the application of the consideration money

(if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the disposal of the share.

#### TRANSFER OF SHARES AND RESTRICTION ON ALLOTMENT

35. All transfers of shares shall be effected by transfer in writing in the usual or common form or in such other form as the Board may approve. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the Holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.
36. The Board may in its absolute discretion and without assigning any reason therefor decline to register any transfer of shares (not being fully paid shares). The Board may also decline to register any transfer of shares on which the Company has a lien or any transfer made to an infant or a mentally disordered person. 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. The Board may decline to recognise any instrument of transfer unless the instrument of transfer is duly stamped, is in respect of only one class of shares and is deposited at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do).
37. All instruments of transfer which are registered, and the certificates for the shares to which they refer, may be retained by the Company.
38. No fee will be charged by the Company in respect of the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
39. Subject to Article 41, 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.

40. The registration or transfers may be suspended at such times and for such periods as the Directors may from time to time determine, and either generally or in respect of any class of shares, provided that the Register shall not be closed for more than thirty days in any year.
41. Notwithstanding any other provisions of the Articles of Association, until the date three years after the last issue of shares pursuant to the offer of Ordinary Shares to the public made in September 1989:
- (A) no sale or transfer of any shares or any interest therein conferring the right to vote at General Meetings of the Company which would result, if made and registered, in a person or persons (whether or not a member or members of the Company) alone or together with: (i) any body corporate controlled by them or any persons connected with or acting in concert with them, or (ii) any persons connected with or acting in concert with them, obtaining a controlling interest in the Company shall be made or registered unless such sale or transfer shall have been approved by a Special Resolution of the Company. For the purpose of this provision "a controlling interest" shall mean shares conferring in the aggregate 50% or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings of the Company;
  - (B) any purported allotment, sale, transfer, disposal or acquisition of any share or interest in any share in contravention of the foregoing provisions shall be a nullity.

#### TRANSMISSION OF SHARES

42. In case of the death of a Holder, the survivors or survivor where the deceased was a joint Holder, and his personal representatives where he was a sole or only surviving Holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased Holder from any liability in respect of any share which had been jointly held by him.

43. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Holder or otherwise by operation of law may upon supplying to the Company such evidence as the Board may reasonably require elect either to be registered himself as the Holder or to have some person nominated by him registered as the Holder, in which case he shall execute an instrument of transfer of the share to that person.
44. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a Holder or otherwise by operation of law (upon supplying to the Company such evidence as the Board may reasonably require) shall have the rights to which he would be entitled if he were the Holder of the share but he shall not be entitled in respect of the share to exercise any right conferred by membership in relation to meetings of the Company until he shall have become registered as the Holder thereof.

#### STOCK

45. The Company may from time to time by Special Resolution convert any paid up shares into stock or reconvert any stock into paid up shares of any denomination.

#### GENERAL MEETINGS

46. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and the next. An Annual General Meeting shall be held at such time and place as the Board may appoint. All other general meetings shall be called Extraordinary General Meetings.
47. The Board may, whenever it thinks fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting. An Extraordinary General Meeting when convened by the Board shall be held at such time and place as the Board may appoint.

## NOTICE OF GENERAL MEETINGS

48. (A) An Annual General Meeting and any general meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company shall be called by twenty-one Clear Days' notice in writing at the least. All other general meetings shall be called by at least fourteen Clear Days' notice in writing to the Auditors for the time being of the Company and to all Holders (other than such as are not under the provisions of these Articles entitled to receive such notices from the Company) and to every other person who by virtue of the Statutes or these Articles is entitled to receive notices of meetings of the Company.
- (B) A general meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall, subject to the provisions of the Statutes, be deemed to have been duly called if it is so agreed:-
- (1) In the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
  - (2) in the case of an Extraordinary General Meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety five per cent in nominal value of the shares giving that right.
49. (A) Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Holder entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

- (C) In the case of any general meeting at which special business is to be transacted, the notice shall specify the general nature of such business and, if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.
50. The accidental omission to give notice of a general meeting or the non-receipt of notice of a meeting or an instrument of proxy by any person entitled to receive the same shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

51. All business shall be deemed special that is transacted at an Extraordinary General Meeting, as shall all business that is transacted at an Annual General Meeting with the exception of:-
- (A) the consideration and adoption of the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
  - (B) the declaration of dividends;
  - (C) the appointment of Auditors and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed;
  - (D) the election or re-election of Directors to fill vacancies arising at the meeting on retirement by rotation or otherwise;
  - (E) 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 and to allot equity securities as if Section 89 (1) of the Act did not apply to such allotment.
52. No business shall be transacted at any general meeting unless a quorum is present. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

53. If within thirty minutes from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day and at such other time and place as the Board may determine. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.
54. The Chairman of the Board shall be entitled to preside at every general meeting, but if there is no Chairman, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding such meeting and willing to preside, the Directors present shall choose some one of their number present and willing to act to be chairman, or if only one Director is present he shall preside if willing to do so. If no Director is present, or if all Directors present decline to take the chair, then the members present shall choose one of their number to act as chairman. A Director shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the Holders of any class of shares in the Company.
55. The chairman of the meeting may, with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
56. When a meeting is adjourned for thirty days or more or for an indefinite period, not less than seven Clear Days' notice of the adjourned meeting shall be given in like manner as in the case of the 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.
57. 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:-
- (A) the chairman of the meeting; or



- (B) at least two members present in person or by proxy and entitled to vote; or
  - (C) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (D) any member or members present in person or by proxy and 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.
58. (A) A demand for a poll may be withdrawn with the consent of the chairman. Unless a poll is so demanded (and the demand has not been withdrawn) 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 that fact without proof of the number or proportion of the votes recorded for or against such resolution.
- (B) If a poll is duly demanded (and the demand has not been withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (C) The chairman of the meeting may (and if so directed by the meeting shall) appoint such scrutineer or scrutineers as he may think fit and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
59. 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 casting vote in addition to the vote or votes to which he may be entitled as a member or on behalf of any other member.

60. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately.
61. 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.
62. 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 HOLDERS

63. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares and subject as otherwise provided in 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 shall have one vote, and on a poll every member shall have one vote in respect of every share of which he is a Holder.
64. In the case of joint Holders the person so present whose name stands first in the Register in respect of such share who renders a vote, whether in person or by proxy, shall alone be entitled to vote in respect thereof.
65. A member suffering from mental disorder or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a

committee, receiver or curator bonis appointed by such court, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.

66. (A) No member, unless the Directors otherwise determine, shall be entitled to be present or to vote, either in person or by proxy, at any General Meeting or upon any poll, or to exercise any privilege as a member in relation to Meetings of the Company in respect of any shares held by him if either:-
- (i) any calls or other moneys due and payable in respect of those shares remain unpaid; or
  - (ii) he or any person appearing to be interested in those shares has been duly served with a notice under Section 212 of the Act and he or any such person is in default in giving to the Company the information thereby requested within twenty-eight days after service of such notice, or such longer period as may be specified in such notice for compliance therewith, provided that when such moneys are paid, or such information is given (as the case may be), then the restrictions imposed by this Article in respect of such non-payment or default in giving information shall cease;
- (B) For the purposes 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, or 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.

67. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
68. On a poll votes may be given either personally or by proxy.
69. A proxy need not be a member of the Company.
70. An instrument appointing a proxy shall be in writing in either of the following forms or in any other form which the Board may accept or approve:-

PLC

I/We, \_\_\_\_\_ being a member/members of the above-named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him of \_\_\_\_\_, as my/our proxy to vote in my/our names and on my/our behalf at the annual/extraordinary general meeting of the company to be held on \_\_\_\_\_ 19\_\_\_\_, and at any adjournment thereof.

Signed on \_\_\_\_\_ 19\_\_\_\_.

or, where it is desired to afford members an opportunity of voting for or against a resolution:-

PLC

I/We, \_\_\_\_\_, being a member/members of the above-named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_, as my/our proxy to vote in my/our names and on my/our behalf at the annual or extraordinary general meeting of the company to be held on \_\_\_\_\_ 19\_\_\_\_, and at any adjournment thereof.

Signed on \_\_\_\_\_ 19\_\_\_\_.

This form is to be used \_\_\_\_\_ \* in favour of the resolution

\* against

Unless otherwise instructed, the proxy may vote or abstain as he thinks fit on the resolution referred to above and on any other resolution proposed at the meeting for which special notice is not required.

\*strike out whichever is not desired.;

The instrument appointing a proxy shall be under the hand of the appointor or his duly constituted attorney; or if such appointor is a corporation, under its Common Seal, or signed on its behalf by a duly constituted attorney or a duly authorised officer of the corporation.

71. An instrument appointing a proxy shall be deposited at the Office, or at such other place or one of such places (if any) as may be specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or for the taking of the poll at which it is to be used, and in default shall not be treated as valid. Provided that an instrument of proxy to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered in relation to any subsequent meetings to which it relates.
72. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
73. A vote cast by proxy shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or the time appointed for the taking of the poll at which the vote is cast.

## CORPORATIONS ACTING BY REPRESENTATIVES

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

## DIRECTORS

75. The number of Directors shall be not less than one, but if and so long as there is a sole Director such Director may act alone in exercising all the powers or authorities vested in the Directors generally by these Articles. There shall be no maximum number of Directors.
76. A Director shall not require any share qualification.
77. Each of the Directors shall be entitled to receive by way of remuneration for his services such sum as the Company may from time to time resolve by ordinary resolution, and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
78. If any Director shall devote to the business of the Company either his whole attention, or more of his time and attention than in the opinion of the Board would usually be so devoted by a person holding such office, or performs extra services for any of the purposes of the Company, then the Board may remunerate the Director concerned either by way of salary or in such other manner, including any arrangement as to pension or retirement allowance, as shall be determined by the Board, and such remuneration may at the discretion of the Board be either in addition to or in substitution for all or any part of any other remuneration to which such Director may be entitled under these Articles.

79. The Board may repay to any Director all such travelling, hotel and other expenses as he may properly incur in attending and returning from meetings of the Board or of any committee of the Board or general meetings or otherwise in or about the business of the Company.
80. A Director may continue to 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 (save as the Board may otherwise determine) no such Director shall be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.
81. The Board may exercise the voting powers conferred by the shares in any other 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 all or any members of the Board as 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.
82. (A) A Director may hold any office or place of profit under the Company (other than the office of Auditor) in conjunction with his office as Director upon such terms as to remuneration and otherwise as the Board may determine and may receive such remuneration in addition to any remuneration under these Articles as the Board may think fit.
- (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.
83. (A) No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or in any other manner whatsoever.
- (B) Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office-

- (i) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
- (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
- (iii) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(C) For the purposes of this Article-

- (i) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

84. The Board may from time to time appoint one or more of its members to the office of managing Director or joint managing Director on such terms as to remuneration, pension and otherwise and with such of the powers exercisable by the Board as it may think fit and for such period (other than for life and subject as provided by the Statutes) as the Board may determine and, subject to the terms of the contract entered into in any particular case, may at any time revoke any such appointment. A



Director so appointed shall, subject to the terms of any agreement between him and the Company, be subject to the same provisions as to resignation or removal as the other Directors and, without prejudice to any claim for damages or compensation to which he may be entitled, his appointment shall be automatically determined if he ceases from any cause to be a Director of the Company.

#### DISQUALIFICATION OF DIRECTORS

85. The office of a Director shall be vacated if any of the following events occur:-

- (A) he shall cease or become prohibited by any provision of the Act or by law from acting as a Director; or
- (B) he shall resign by giving notice to the Company left at the Office; or
- (C) he shall have a receiving order made against him or shall compound with his creditors generally; or
- (D) he shall become mentally disordered and either:
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (E) he shall be absent from meetings of the Board for a continuous period of six months without special leave from the Board and the Board resolves that his office be vacated.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

86. (A) Subject to Article 87, each Director shall vacate his office at the conclusion of the next annual general meeting following his seventieth birthday but may, if he so desires, present himself to the Company for re-election as a Director of the Company. Acts done by a person as Director are valid notwithstanding that it is afterwards discovered that his appointment had terminated under the provisions of this Article.
- (B) No person may be appointed a Director of the Company if at the time of his appointment he has attained the age of 70.
- (C) Where a person retires under this Article, no provision in these Articles for the automatic reappointment of retiring directors in default of another appointment applies; and if at the meeting at which he retires the vacancy is not filled, it may be filled as a casual vacancy in accordance with Article 88.
- (D) Nothing in this Article prevents the appointment of a Director at any age, or requires a Director to retire at any time, if his appointment is or was made or approved by the Company in general meeting; but special notice of such meeting is required of a resolution appointing or approving the appointment of a Director and the notice of the resolution given to the Company, and by the Company to its members, must state, or have stated, the age of the person to whom it relates.
- (E) A person reappointed Director on retiring under this Article, or appointed in place of a Director so retiring, is to be treated, for the purpose of determining the time at which he or any other Director is to retire, as if he had become Director on the day on which the retiring Director was last appointed before his retirement.
87. (A) No Director shall be required to retire from office, whether by virtue of Article 86 or this Article, until the annual general meeting (not being an annual general meeting adjourned from an

earlier date) before which the annual report and accounts for the year ending 31st July 1994 are laid. At that meeting and at each subsequent annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office. A Managing Director or sole Director holding that office for an unexpired term shall not be subject to retirement by rotation under this Article or be taken into account in determining the number of Directors so to retire. A retiring Director shall retain office until the conclusion of the meeting and shall be eligible for re-election.

- (B) Subject to the provisions of the Statutes, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- (C) The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment.
- (D) No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a Director at any general meeting unless not less than seven nor more than forty two Clear Days before the day appointed for the meeting there shall have been given to the Secretary notice in writing signed by some member (other than 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 the person to be proposed of his willingness to be elected. Notice of each and every candidate for election to the Board shall be sent to shareholders at least four Clear Days prior to the meeting at which the election is to take place.

- (E) The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement, and elect another person in place of a Director so removed from office and any person so elected shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is elected was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by the Board as a casual vacancy.

88. The Board shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining either the Directors or the number of Directors who are to retire by rotation at such meeting.

#### PROCEEDINGS OF DIRECTORS

89. 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. The Chairman or any Director may, and the Secretary on the requisition of the Chairman or any Director shall, at any time summon a meeting of the Board. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and any such resolution may be contained in two or more documents in each case signed by one or more Directors.

90. 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, or unless the Company shall have a sole Director, shall be two. For the purpose of determining whether the quorum so necessary exists there shall be counted in the quorum any Directors in telephonic communication with any other Directors with a view to conducting the relevant meeting.
91. A Director who 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 in accordance with the provisions of the Statutes.
92. Save as otherwise provided by the Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs-
- (A) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
  - (B) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (C) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;

- (D) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes; and
- (E) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise howsoever provided that he is not the holder (other than as bare trustee) of, or beneficially interested in, one per cent or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any interest so arising being deemed for the purpose of this Article to be a material interest in all circumstances).

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation 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.

- 93. (A) A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- (B) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices of, or employments with, the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such case each of the Directors concerned (if not debarred from voting under Article 92 and this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (C) If any questions 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 has not been fairly disclosed.
- (D) The Company may by ordinary resolution suspend or relax the provisions of this and the preceding Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this and the preceding Article.
94. The continuing Directors or a sole Director may act notwithstanding any vacancies in their body.
95. The Board may elect a Chairman of its meetings. Any Chairman so elected shall continue as Chairman of meetings of Directors unless the Board otherwise determines. The Directors may at any time remove the Chairman from that office.
96. The Chairman shall preside at all meetings of the Board, but if at any time there is no Chairman or if at any meeting the Chairman be not present within five minutes from the time appointed for holding the meeting, then the Directors present shall choose one of their number to be Chairman of the meeting.
97. The Board may delegate all or any of its powers to any committee or committees consisting of one or more Directors as it may think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Board. 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 Board, so far as the same are applicable.

98. All acts done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director notwithstanding that there was some defect in the appointment of any Director or that any of them was disqualified or had vacated the office, or was not entitled to vote, shall be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or a member of such committee and had been entitled to vote.

#### GENERAL POWERS OF DIRECTORS

99. The business of the Company shall be managed by the Board, which 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.
100. (A) The Board may by power of attorney or otherwise appoint any person to be the agent or attorney 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 periods and subject to such conditions as it may think fit.
- (B) The Directors may at any time require any corporate member to furnish any information, supported (if the Directors so require) by a statutory declaration, as they may consider necessary, for the purpose of determining whether or not such member is one to which sections 423 to 430 of, and Schedule 19 to, the Income and Corporation Taxes Act 1988 apply.



## BORROWING POWERS

101. (A) The Board may (subject as hereinafter mentioned) exercise all the powers of the Company to borrow money, and to mortgage, burden or charge its undertaking, property and uncalled capital, or any part thereof, and to issue property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company its subsidiaries or of any third party. The aggregate amount at any one time owing by the Company and its subsidiaries in respect of monies borrowed by it or any of them (exclusive of monies borrowed by the Company or any of its subsidiaries from such companies) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to three times the aggregate from time to time of the nominal share capital of the Company issued and paid up and the amounts standing to the credit of the consolidated capital and revenue reserves (including share premium account capital redemption reserve and profit and loss account) of the Company and its subsidiary companies all as shown in a consolidation of the then latest audited Balance Sheets of such companies, but after;
- (i) deducting any amount attributable to goodwill;
  - (ii) excluding therefrom (a) any sums set aside for future taxation and (b) amounts attributable to outside shareholders in subsidiaries;
  - (iii) deducting therefrom an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which has been declared, recommended or made since that date except in so far as provided for in such Balance Sheet; and
  - (iv) making such other adjustments as the Auditors of the Company consider appropriate.

(B) A report by the Auditors for the time being of the Company as to the aggregate amount which may at any one time, in accordance with the provisions of paragraph (A) of this Article, be owing by the Company and its subsidiaries without any sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company.

(C) As used in this Article:-

(a) the expression "moneys borrowed" shall be deemed to include the following except insofar as otherwise taken into account or excluded under paragraph (c) below:-

(i) the principal amount for the time being outstanding in respect of any loan capital or debenture of the Company or any subsidiary, notwithstanding that the same may be issued in whole or in part for a consideration other than cash;

(ii) the outstanding amount of acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company or any subsidiary, other than acceptances relating to the sale of goods in the ordinary course of business;

(iii) any fixed or minimum premium payable on final redemption or repayment of any moneys borrowed;

(iv) any share capital or borrowed moneys, the repayment of which is guaranteed or secured by the Company or any subsidiary, and which is not beneficially owned by the Company or any subsidiary.

(b) The expression "moneys borrowed" shall be deemed not to include any of the following:-

- (i) such proportion of the amounts borrowed by any partly owned subsidiary as the issued ordinary share capital of such subsidiary which is not for the time being owned directly or indirectly by the Company bears to the whole of the issued ordinary share capital of that subsidiary;
  - (ii) amounts borrowed for the purpose of repaying within three months of first being borrowed other moneys borrowed by the Company or any subsidiary pending their application for the purpose within such period;
  - (iii) amounts borrowed by any subsidiary prior to and outstanding at the date on which it becomes a subsidiary for a period of twenty-four Months from such date.
- (D) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions be concerned to see or inquire whether the foregoing limit under this Article is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that such limit had been or would thereby be exceeded.

#### PENSIONS AND ALLOWANCES

102. The Board may pay or agree to pay pensions or other retirement, superannuation, death or disability benefits or allowances to or to any person in respect of any Director or former Director who may hold or may have held any executive office or employment under the Company or any subsidiary of the Company or its holding company (if any) and for any member of his family or any person who is or was dependent on him and for the purpose of providing any such pensions or other benefits or

allowances may contribute to any scheme or fund and may make payments towards insurances or trusts in respect of such persons.

#### ALTERNATE DIRECTOR

103. (A) Each Director shall have power to nominate by notice in writing to the Company any person, approved for that purpose by a majority of the other Directors, to act or attend as alternate director in his place during his absence or inability to act as a Director and may remove such alternate director by notice in writing to the Company.
- (B) An alternate director shall (except as regards power to appoint an alternate and to receive remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors, and each alternate director, while acting in the place of a Director who is absent or unable to act as a Director, shall enjoy all the rights of (including the right to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member) and exercise and discharge all the duties of the Director he represents.
- (C) If the Director making any such appointment as aforesaid shall cease to be a Director otherwise than by retiring at and being re-elected at one and the same meeting, the person appointed by him shall thereupon cease to have any power or authority to act as an alternate director.
- (D) One person may act as alternate director for more than one Director and while he is so acting shall be entitled to a separate vote for each Director he is representing and, if he is himself a Director, his vote or votes as an alternate director shall be in addition to his own vote.
- (E) An alternate director shall be taken into account in reckoning the minimum of Directors allowed for the time being and shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

- (F) Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

## SECRETARY

104. The Secretary shall be appointed by the Board on such terms and for such period as it may think fit. Any Secretary so appointed may at any time be removed from office by the Board.

## THE SEAL

105. (A) The Directors shall provide a Common Seal for the Company and shall have power from time to time to dispose of, or destroy, the same and to substitute a new seal in lieu thereof.
- (B) The Directors may exercise the powers conferred on the Company by Section 40 of the Act with regard to having an official Seal solely for sealing documents creating or evidencing securities of the Company.
- (C) The Directors shall provide for the safe custody of every seal of the Company. The Common Seal shall never be affixed to any document except by the authority of a resolution of the Directors, which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article provided, one Director together with the Secretary, or another Director, shall sign autographically every instrument to which the Common Seal shall be affixed, and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Common Seal has been properly affixed. No certificate for shares, stock, debenture or loan stock (except where the Trust Deed constituting any debenture stock or loan stock provides to the contrary) or representing any other form of security of the Company to which any seal of the Company is required to be affixed need be signed by any person.

- (D) 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 Directors.

#### DIVIDENDS

106. Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of members and may fix the time of payment thereof. No dividend shall exceed the amount recommended by the Board.
107. Except as otherwise provided by the rights attached to shares all dividends shall be declared and paid according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.
108. Notwithstanding Article 106 the Board may from time to time so long as it appears to them that profit is available for distribution, declare and pay to members such interim dividends as appear to the Board to be justified by the position of the Company.
109. No dividend shall be paid otherwise than out of the profits of the Company. Subject to the provisions of the Statutes, the determination of the Board as to the amount of the profits of the Company at any time available for payment of dividends shall be conclusive.
110. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
111. Any dividend remaining unclaimed after a period of twelve years from the date of the declaration of such dividend shall be forfeited and shall revert to the Company.
112. The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for

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distribution of any assets and may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any specific assets in trustees.

113. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Holder or person entitled thereto (or, if two or more persons are joint Holders of the share or are entitled thereto in consequence of the death or bankruptcy of the Holder or otherwise by operation of law, to any one of such persons) or to such person and at such address as such Holder or person or persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the Holder or joint Holders or person or persons entitled to the share in consequence of the death or bankruptcy of the Holder or otherwise by operation of law may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person or persons entitled to the money represented thereby.
114. If two or more persons are joint Holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the Holder or otherwise by operation of law, any one of them may give effective receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

#### CAPITALISATION OF PROFITS AND RESERVES

115. The Directors may with the authority of an Ordinary Resolution of the Company-
- (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 



- (B) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (C) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions;
- (D) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (E) generally do all acts and things required to give effect to the foregoing.

#### RECORD DATES

116. Notwithstanding any other provision of these Articles, the Company or the Directors may fix any date as the record date for dividend, distribution, allotment or issue, and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## MINUTES AND BOOKS

117. The Board shall cause minutes to be made in books to be provided for the purpose:-

- (A) of all appointments of officers made by the Board;
- (B) of all proceedings at meetings of the Company, committees of the Company and of any class of members and of all committees of the Board.

## ACCOUNTS

118. Except as authorised by statute, the Directors, or by Special Resolution, no member shall have any right as a member to inspect any accounting records or other books or documents of the Company.

119. A printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in General Meeting, together with copies of the Directors' and of the Auditors' reports thereon shall (in accordance with and subject as provided by the Act) not less than twenty-one clear days before the date of the Meeting be sent to every member (if he is entitled to receive notices of General Meeting of the Company) and the Auditors, and all other persons so entitled, and the requisite number of copies of these documents shall at the same time be forwarded to the appropriate department of The Stock Exchange, where such is required by The Stock Exchange

## AUDITORS

120. The Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

## NOTICES

121. Any notice to be given pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Directors need not be in writing. Any notice or document may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of forty-eight hours after the time when the cover containing the same is posted (irrespective of the class or type of post used) and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed and posted. A member present, either in person or by proxy, at any meeting of the Company or of the Holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, for the purposes for which it was called.
122. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
123. In respect of joint holdings 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.
124. A person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law upon supplying an address within the United Kingdom for the service of notices shall be entitled to have served on or delivered to him at such address any notice or document to which the member but for his death or bankruptcy or the other event in question would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on or to all persons interested in the share. Save as aforesaid 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 shall have notice of his death or bankruptcy or the other event in question, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint Holder.

125. 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 notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two leading national daily newspapers, at least one of which shall be published in London, 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 again becomes practicable.

#### UNTRACED SHAREHOLDERS

126. 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:-
- (A) for a period of twelve years (during which time at least three dividends have become payable in respect of such share or stock) no cheque or warrant sent by the Company through the post in a pre-paid envelope 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 presented for payment and no communication has been received by the Company from the member or the person entitled by transmission; and
  - (B) the Company has, at the expiration of the said period of twelve years, by advertisement in (1) two national leading newspapers published in London, and (2) a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located, given three months' notice of its intention to sell such share or stock; and

- (C) 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
- (D) the Company has first give notice in writing to the Quotations Department of The Stock Exchange of its intention to sell such shares or stock, where necessary to do so.

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 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 and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any monies not accounted for to the member or other person entitled to such share or stock shall be carried to a separate account and shall be a debt of the Company. 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 Directors may from time to time think fit.

#### DESTRUCTION OF DOCUMENTS

127. The Company may destroy:-

- (A) any share certificate which has been cancelled, at any time after the expiry of one year from the date of such cancellation;
- (B) any dividend mandate, or any variation or cancellation thereof, or any notification of change of name or address, at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;

- (C) any instrument of transfer of shares which has been registered, at any time after the expiry of six years from the date of registration; and
- (D) any other document, on the basis of which any entry in the Register is made, at any time after the expiry of six years from the date an entry in the Register was first made in respect of it, and it shall be conclusively presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed, and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided that:-
  - (A) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document is relevant to a claim;
  - (B) nothing contained in this Article 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; and
  - (C) references in this Article to the destruction of any document include references to its disposal in any manner.

#### **DIVISION OF ASSETS IN SPECIE**

128. The liquidator on any winding-up of the Company (whether voluntary or under supervision, or compulsory) may, with the authority of an Extraordinary Resolution, divide among the members in 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 for such purpose may 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 classes of members, but so that if any such division shall be otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed in accordance with Section 110 of the Insolvency Act 1986.

#### PROVISION FOR EMPLOYEES

129. The Company shall exercise the power conferred upon it by Section 719 (1) of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares, and shall accordingly require the prior consent in writing of the holders of not less than three fourths in nominal value of the issued shares of each class, or the prior sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the Shares of each class, convened and held in accordance with the provisions of Articles 5 and 6.

#### INDEMNITY

130. Subject to the provisions of the Act, every Director or other officer for the time being of the Company (except the Auditors) shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.

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Names and Addresses of Subscribers

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1. Joseph Anthony Hammond,  
1/3 Leonard Street,  
City Road,  
London EC2A 4AQ

Chartered Secretary

2. Raymond Paul Kalman,  
1/3 Leonard Street,  
City Road,  
London EC2A 4AQ

Chartered Secretary

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Dated this 1st day of February 1989

Witness to the above Signatures:-

Michael Norman Claff,  
113 Leonard Street,  
City Road,  
London, EC2A 4AQ

Chartered Accountant