

THE COMPANIES ACT 1985
A PRIVATE COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
OF
BRADFORD & BINGLEY HOMELOANS MANAGEMENT LIMITED
*(adopted by written resolution
passed on 14 January 2003)*
PRELIMINARY

1. These articles constitute the Articles of the Company. Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) is excluded for the purposes of Section 8 (2) Companies Act 1985.

1.1 In these Articles:

"A Director" means a director appointed (or deemed to have been appointed) under these Articles by the A Shareholder;

"A Shares" means the A Ordinary Shares of £1 each in the capital of the Company and "A Shareholder" means the holder of those shares;

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

"Affiliate" means in relation to a person, a subsidiary or holding company of that person or a subsidiary of any such holding company;



“the Articles”

means the Articles of the Company;

"B Director"

means a director appointed (or deemed to have been appointed) under these Articles by the B Shareholder;

"B Shares"

means the B Ordinary Shares of £1 each in the capital of the Company and "B Shareholder" means the holder of those shares;

“Board”

means the board of directors of the Company or any duly appointed committee thereof;

“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;

“executed”

includes any mode of execution;

“office”

means the registered office of the Company;

“the holder”

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

“the seal”

means the common seal of the Company;

“secretary”

means the secretary of the Company or any other person appointed to perform the duties

of the secretary of the Company, including a joint, assistant or deputy secretary;

"Shareholder"

means any of the A Shareholder and the B Shareholder and "Shareholders" shall be construed accordingly;

"Shares"

means the A Shares and the B Shares or any of them;

"Statutes"

means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act; and

"the United Kingdom"

means Great Britain and Northern Ireland.

- 1.2 Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Company.
- 1.3 Unless the contrary intention appears words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations.
- 1.4 Headings to these Articles are inserted for convenience only and shall not affect construction.
- 1.5 Reference in these Articles to Shareholders shall include their duly authorised representatives.

Share Capital

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the Articles.
4. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
5. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.
- 6.1 The authorised share capital of the Company is £100 divided into 100 Ordinary Shares of £1 each of which 49 are denominated as A Shares and the remainder are denominated as B Shares.
- 6.2 The A Shares and B Shares shall be separate classes of shares.
- 6.3 Subject to the provisions of these Articles the A Shares and the B Shares shall rank *pari passu* in all regards other than that no A Shares shall confer any right to vote upon a resolution for the appointment or removal from office of a B Director and no B Shares shall confer any right to vote upon a resolution for the appointment or removal from office of an A Director.

- 6.4 Any share that is allotted or transferred to the A Shareholder shall automatically be denominated or re-denominated (as the case may be) as an A Share for so long as it is held by the A Shareholder.
- 6.5 Any share that is allotted or transferred to the B Shareholder shall automatically be denominated or re-denominated (as the case may be) as a B Share for so long as it is held by the B Shareholder.
7. Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in section 94 of the Act) is excluded.

Share certificates

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

Lien

10. The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a share shall extend to any amount payable in respect of it.
11. The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
12. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
13. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Calls on Shares and Forfeiture

14. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be

paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

15. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
18. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
19. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
20. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

21. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
22. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 22A. A meeting of the directors (or a committee of the directors) may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:
- 22A.1 to hear each of the other participating directors addressing the meeting; and
- 22A.2 if he so wishes, to address all of the other participating directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment or by a combination of those methods.
23. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
24. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all

persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

Transfer of Shares

25. The instrument of transfer of a Share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor, and, unless the share is fully paid, by or on behalf of the transferee.
26. The directors shall not register any transfer of any Share from a Shareholder ("Transferor") other than a transfer to another Shareholder or to an Affiliate of the Transferor. The directors may also refuse to register a transfer unless:
 - 26.1 it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates;
 - 26.2 it is in respect of only one class of shares; and
 - 26.3 it is in favour of not more than four transferees.
27. If the Directors refuse to register a transfer of a Share, they shall within two weeks after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
28. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
29. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

30. A person executing an instrument of transfer of a Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect thereof.
31. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine

Transmission of shares

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

Alteration of share capital

35. The Company may by ordinary resolution—
- 35.1 increase its share capital by new shares of such amount as the resolution prescribes;
 - 35.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - 35.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - 35.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
36. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
37. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Purchase Of Own Shares

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

General Meetings of Shareholders

39. All general meetings other than annual general meetings shall be called extraordinary general meetings.
40. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.
41. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed—
- 41.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- 41.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all

persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

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

43.1 No business shall be transacted at any general meeting unless a quorum is present. Two Shareholders present in person or by proxy or participating in the manner contemplated by Article 44 shall be a quorum at any general meeting of which one shall be or represent the A Shareholder and the other shall be or represent the B Shareholder.

43.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. The quorum at any such adjourned meeting shall be one Shareholder being an A Shareholder.

44. A general meeting or a meeting of any class of Shareholder of the Company may consist of a conference between Shareholders some or all of whom are in different places provided that each Shareholder who participates is able:

44.1 to hear each of the other participating Shareholders addressing the meeting; and

44.2 if he so wishes, to address all of the other participating Shareholders simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods.

44.3 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Shareholders required to form a quorum.

- 44.4 A meeting held in this way is deemed to take place at the place where the largest group of participating Shareholders is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- 44.5 A resolution put to the vote of a meeting shall be decided by each Shareholder indicating to the chairman (in such manner as the chairman may direct) whether the Shareholder votes in favour of or against the resolution or abstains. Article 49 shall be amended accordingly.
45. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
46. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
47. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
48. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

49. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded—
- 49.1 by the chairman; or
- 49.2 by any Shareholder present in person or by proxy and entitled to vote.
50. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
51. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
52. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
53. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
54. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case

at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

55. The chairman at any general meeting shall not be entitled to a second or casting vote.

Shareholders' Resolutions

56. A resolution in writing signed or approved by letter or facsimile by or on behalf of all the Shareholders of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting of any class of Shareholders of the Company shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. The resolution may be contained in one document or in several documents in like form each stating the terms of the resolution accurately and signed by or on behalf of one or more of the Shareholders. This Article is in addition to, and not limited by, the provisions in sections 381A, 381B and 381 C of the Act.

Votes of Members

57. Subject to any rights or restrictions attached to any Shares and to Article 58 on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly attached authorised representative not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder provided that:

- 57.1 no A Share shall confer any right to vote upon a resolution for the removal from office of a B Director; and

- 57.2 no B Share shall confer any right to vote upon a resolution for the removal from office of an A Director.

58. Any resolution of the Shareholders to:

58.1 change the issued share capital of the company (or to grant any rights that may result in such a change); or

58.2 appoint an administrator

shall only be effective with the sanction of unanimous Shareholder resolution.

59. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.

60. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

61. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

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

63. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

64. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)–

" PLC/Limited

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

Signed on 19 ."

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

" PLC/Limited

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

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

Resolution No. 1 *for *against

Resolution No. 2 *for *against.

*Strike out whichever is not desired.

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

Signed this day of 19 ."

66. The instrument appointing a proxy and any authority under which it is executed or a copy of such instrument or authority or both as the directors may approve certified notarially or in some other way approved by the directors may—

66.1 be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

66.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

66.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

66.4 be deposited at the place where the meeting or adjourned meeting is to be held at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

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

67. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority

of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

Variation of Rights

68. Whenever the capital of the Company is divided into different classes of Shares, all or any of the rights for the time being attached to any class of Shares in issue may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of three-fourths in nominal value of the issued Shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those Shares.

69. All the provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every such separate general meeting, except that:

69.1 the necessary quorum at any such meeting (other than an adjourned meeting) shall be such number of persons as hold or represent by proxy at least 51 per cent in nominal value of the issued Shares of the class;

69.2 at an adjourned meeting the necessary quorum shall be one person holding Shares of the class or his proxy;

69.3 every holder of Shares of the class shall, on a poll, have one vote in respect of every Share of the class held by him; and

69.4 a poll may be demanded by any one holder of Shares of the class whether present in person or by proxy.

70. Unless otherwise expressly provided by the terms of their issue, the rights attached to any class of Shares shall not be deemed to be varied or abrogated by the creation or issue of further Shares.

Directors

71. Save in circumstances where all A Directors or all B Directors cease to hold office and are not replaced pursuant to Article 72 (when the directors (other than alternate directors) shall be two A Directors or four B Directors (as the case may be)), the directors (other than alternate directors) shall be five in number of whom two shall be A Directors and three shall be B Directors.
72. The A Shareholders and B Shareholders respectively may at any time remove from office any A or B Director appointed by them and may appoint any person as a director in place of any director so removed or in place of any director appointed by them who vacates his office or dies.
73. Every appointment or removal under Article 72 shall be made in writing signed by or on behalf of the holders of the relevant Shares and shall take effect on and from the date on which the notice of appointment or removal is lodged at the registered office of the Company or produced at a meeting of the directors.
74. A director may:
- 74.1 be interested in, directly or indirectly, any transaction or arrangement with the Company or in which the Company is otherwise interested; and
- 74.2 hold and be remunerated in respect of any office (except the office of auditor) or place of profit under the Company and he or any firm of which he is a partner may act in a professional capacity for the Company and be remunerated in respect of any such services.
75. The directors shall not be subject to retirement by rotation.

76. No director shall be appointed otherwise than as provided in these Articles.

Alternate Directors

77. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
78. An alternate director shall be entitled to receive notice of all meetings of directors, to attend and to vote at any such meeting at which the director appointing him is not personally present and at that meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at that meeting the provisions of these Articles shall apply as if he was a director.
79. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.
80. Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the happening of any event which, if he is or were a director, causes or would cause him to vacate that office.
81. An alternate director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the director appointing him.
82. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.

Powers of Directors

83. Subject to the provisions of the Act, the memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
84. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
85. Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.
86. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Delegation of Directors Powers

87. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director

holding any other executive office such of their powers as they consider desirable to be exercised by him and in particular, full power to manage the business of the Company on a day-to-day basis, including but not limited to the preparation and implementation of budgets, operating plans and related documents. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

Proceedings of Directors

88. Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Notices of meetings of the directors shall be given to all directors and to any alternate directors appointed by them. Questions arising at a meeting shall be decided by a majority of votes.
89. Save in circumstances where all A Directors or all B Directors cease to hold office and are not replaced pursuant to Article 72 (when the quorum shall be any two directors), the quorum for the transaction of business at any meeting of the board shall be at least one A Director and one B Director present at the time when the relevant business is transacted. If such a quorum is not present within thirty minutes from the time appointed for the meeting or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned until the same day of the following week at the same time and the same location and the quorum at such adjourned meeting shall consist of such directors as are present. A director shall be regarded as present for the purposes of a quorum if represented by an alternate.
90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of calling a general meeting.

91. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
92. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. For the purposes of these Articles, the word "signed" shall include "approved by letter or facsimile".
94. In the case of an equality of votes at any meeting of the directors or a committee of the directors the chairman of the meeting shall not have a second or casting vote.
95. Questions arising at any meeting of the directors or of any committee of the directors shall be decided by a majority of votes provided that:

- 95.1 any one or more of the A Directors present at any meeting of the directors (including alternate directors representing any such directors) may exercise the voting power of such other A Directors as are not present in person or otherwise represented at the meeting provided all the A Directors present cast their votes the same way in respect of the matter being voted upon; and
- 95.2 any one or more of the B Directors present at any meeting of the directors (including alternate directors representing any such directors) may exercise the voting power of such other B Directors as are not present in person or otherwise represented at the meeting provided all the B Directors present cast their votes in the same way in respect of the matter being voted upon.
96. Provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may vote as a director on a resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his vote shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration.
97. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
98. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.
99. A meeting of the directors (or a committee of the directors) may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- 99.1 to hear each of the other participating directors addressing the meeting; and
- 99.2 if he so wishes, to address all of the other participating directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods.
- 99.3 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of Article 89.
- 99.4 A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

Disqualification and Removal of Directors

- 100. The office of a director shall be vacated if—
 - 100.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - 100.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - 100.3 he is, or may be, suffering from mental disorder and either—
 - 100.3.1 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

100.3.2 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

100.4 he resigns his office by notice to the Company; or

100.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

Remuneration Of Directors

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

Directors' Expenses

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

Directors Interests

103. 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—

103.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- 103.2 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
- 103.3 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.
104. For the purposes of Article 103—
- 104.1 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
- 104.2 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.

Executive Directors

105. The directors may appoint one or more of their number to any executive office in the Company, (including, but without limitation, that of chairman, deputy chairman, chief executive, managing director or joint managing director) for such period and on such terms as they think fit, and may revoke or terminate any appointment so made without prejudice to any claim for damages for breach of any agreement between the director and the Company.
106. The remuneration of any director appointed to any executive office shall be fixed by the directors and may be by way of salary, commission, participating in profits and either in addition to or inclusive of his remuneration as a director.

Designation as "director"

107. The directors may, at any time and from time to time, appoint any person (not being a director) to any executive position or employment under the Company having a title or designation which includes the word "director" and may terminate any such appointment. The inclusion of the word "director" in the title or designation of any such position or employment shall not imply that the holder is a director of the Company or that he is authorised or empowered to act as, or is liable as, a director of the Company in any respect and he shall not be deemed to be a director for any purpose.

Secretary

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

Minutes

109. The directors shall cause minutes to be made in books kept for the purpose—
- 109.1 of all appointments of officers made by the directors; and
- 109.2 of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

Seal

110. The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors.
111. The directors shall provide for the safe custody of every seal which the Company may have.

112. A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter or facsimile by a majority of the directors or of the Shareholders or of a duly authorised committee of the directors.
113. The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.
114. Unless otherwise decided by the directors every instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors.
115. Certificates for shares, debentures or other securities of the Company need not be sealed with the seal but may be signed on behalf of the Company by at least one director and the secretary or by at least two directors or by such other person or persons as may be authorised by the directors for that purpose. Article 8 shall be amended accordingly.

Dividends

116. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
117. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate

if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

118. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
119. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
120. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

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

Accounts

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

Capitalisation Of Profits

124. The directors may with the authority of an ordinary resolution of the Company—
- 124.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 124.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

124.3 make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and

124.4 authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

Notices

125. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.

126. The Company may give any notice to a Shareholder either personally or by sending it by prepaid first class recorded delivery post or prepaid private delivery service to the Shareholder at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of Shareholders in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

127. Proof that:

127.1 an envelope containing a notice was properly addressed, prepaid and posted (by first class recorded delivery post); or

127.2 delivered (by prepaid private delivery service)

shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiry of 24 hours after the envelope containing it was posted or at the time it was delivered.

128. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
129. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
130. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

Winding Up

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

Indemnity

132. Subject to the provisions of and to the extent permitted by the Statutes, every director or other officer of the Company (excluding an auditor) shall be indemnified out of the assets of the Company against any liability incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his

powers or otherwise in relation to or in connection with his duties, powers or office,
but:

132.1 this indemnity shall not apply to any liability to the extent that it is recovered from
any other person; and

132.2 the indemnity is subject to such officer taking all reasonable steps to effect such
recovery, so that the indemnity shall not apply to the extent that an alternative right of
recovery is capable of being enforced.