

No. 2477134

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

-of-

-----  
MANNING GOTTlieb MEDIA LIMITED  
-----

At an EXTRAORDINARY GENERAL MEETING of the Company held 239 Old Marylebone Road, on Tuesday, 4th January, 2000 at 11.00am the following Resolution was passed as a Special Resolution:

SPECIAL RESOLUTION

THAT:-

The Regulations contained in the printed document submitted to this meeting marked "A" and for the purpose of identification signed by the Chairman be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for the existing Articles of Association of the Company.



Chairman



"A"  
22

## **THE COMPANIES ACTS 1985 TO 1989**

---

### **COMPANY LIMITED BY SHARES**

---

#### **ARTICLES OF ASSOCIATION**

of

#### **MANNING GOTTLIEB MEDIA LIMITED**

*(Adopted by special resolution  
passed on 4<sup>th</sup> January 2000)*

#### **PRELIMINARY**

1. Subject as otherwise provided in these articles the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A - F) (Amendment) Regulations 1985 (SI 1985/1052) ("Table A") shall constitute the regulations of the Company. In the case of any inconsistency between these articles and the regulations of Table A, the provisions of these articles shall prevail.
2. Regulations 23, 40, 46, 50, 53, 57, 64 to 69 (inclusive), 73 to 76 (inclusive), 81, 84, 87 to 89 (inclusive), 93, 94, 101, 112, 115 and 118 of Table A shall not apply to the Company.
- 3
  - (1) In regulation 1 of Table A, the words "and in the articles of association adopting the same" shall be inserted after the word "regulations" in line one and the full stop at the end of the regulation shall be deleted and replaced by a semi colon and the following shall be inserted "words importing the singular shall include the plural and vice versa, words importing the masculine shall include the feminine, and words importing persons shall include corporations."
  - (2) In line two of regulation 18 of Table A and line one of regulation 77 of Table A the word "less" shall be replaced by the word "fewer".
  - (3) Any reference to presence at a general meeting or class meeting shall include presence of a member in person or by proxy or (being a corporation) by a duly authorised representative and shall include presence which is deemed in accordance with these articles (and "present" shall be construed accordingly).

## SHARE CAPITAL

- 4 (1) The authorised share capital of the Company at the date of the adoption of these articles is £12,619.00 divided into 124,765 Ordinary Shares of 10 pence each ("Ordinary Shares") and 1,425 deferred shares 10p each ("Deferred Shares") and the Ordinary Shares and Deferred Shares are each included (as applicable) in references herein to "the shares".
- (2) The rights attached to any class of shares may (whether or not the Company is being wound up) be varied by a resolution of the directors and with either the consent in writing of the holder or holders of not fewer than 75% in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class but not otherwise.
- (3) To every such separate meeting aforesaid all provisions applicable to general meetings of the Company or to the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be one person present and holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as so defined is not present the member or members present shall be a quorum) and that any holder of shares of the class present may demand a poll and such holders shall on a poll have one vote in respect of every share of such class held by them respectively.
- (4) The rights attaching to the Deferred Shares and the Convertible Deferred Shares are as follows:
- (a) as regards income the Deferred Shares and the Convertible Deferred Shares shall not entitle holders thereof to any participation in the profits of the Company
  - (b) as regards capital the Deferred Shares and the Convertible Deferred Shares shall not entitle the holders thereof to any participation in the assets of the Company
  - (c) as regards voting the Deferred Shares and the Convertible Deferred Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company
  - (d) as regards redemption the Deferred Shares and the Convertible Deferred Shares shall not be redeemable by the Company without the consent of the holders of the majority of the Deferred Shares or Convertible Deferred Shares (as appropriate).
  - (e) the Deferred Shares and the Convertible Deferred Shares shall be convertible into Ordinary Shares in accordance with the remaining provisions of this Article;
  - (f) on the last day of the month during which the audited accounts or (if the directors agree) the management accounts of the Company for any financial year or period (from 30<sup>th</sup> June 1994 up to and including the financial year to 30<sup>th</sup> June 1998) ("the Relevant Accounts") are signed

by the auditors of the Company (in the case of audited accounts) or by the directors (in the case of management accounts) ("the Conversion Date") then if PBT (as defined in article 4(4)(g) below) as shown in the Relevant Accounts for the year specified in column (1) below equals or exceeds the amount set out opposite in column (2) below Deferred Shares will convert (subject to article 4(4)(i) below) into the same number of Ordinary Shares calculated as set out in columns (3) and (4) of the table below and Convertible Deferred Shares will convert (subject to article 4.4(i) below) into the same number of Ordinary Shares calculated as set out in columns (5) and (6) of the table below:-

(1) <u>Financial</u> <u>Year</u>	(2) PBT of the Company for each financial year	(3) No. of Deferred Shares <u>Converted</u>	(4) No. of Ordinary Shares arising from <u>Conversion</u>	(5) No. of Convertible Deferred Shares <u>Converted</u>	(6) No. of Ordinary Shares arising from
<u>Conversion</u>	<u>£'000's</u>				
to 30.6.94	125	7,715	7,715	1,815	1,815
to 30.6.95	225	7,715	7,715	1,815	1,815
to 30.6.96	369	7,715	7,715	1,815	1,815
to 30.6.97	570	7,715	7,715	1,815	1,815
to 30.6.98	<u>825</u>	<u>7,715</u>	<u>7,715</u>	<u>1,815</u>	<u>1,815</u>
	2,114	38,575	38,575	9,075	9,075

In the event that PBT (as defined below) for any financial year is less than the figure specified for that year in column (2) of the above table but is exceeded in subsequent years then at the end of the financial year to 30.6.98 the PBT (as defined below) as shown in the Relevant Accounts will be aggregated together and PROVIDED ALWAYS that the said aggregate (subject to any adjustment that the Company's auditors may consider reasonable) is not less than £2,114,000 then the aggregate number of Deferred Shares and Convertible Deferred Shares set out in columns (3) and (5) of the table shall be converted into Ordinary Shares in accordance with this article;

- (g) "PBT" means the consolidated pre-tax profits of the Company and any subsidiaries from time to time as shown by or ascertained from the Relevant Accounts excluding exceptional and extraordinary items and excluding any costs of moving to new premises to the extent that such costs are incurred by the Company by virtue of the Company being a subsidiary of Simons Palmer Clemmow Johnson (Holdings) Limited and which it would not otherwise have incurred;
- (h) the Company shall within seven days after the Conversion Date give notice in writing to all the relevant holders of Ordinary Shares of the number of the Deferred or Convertible Deferred Shares to be the subject of conversion which shall be as nearly as possible pro rata to

such shareholders respective holdings of Deferred and Convertible Deferred Shares;

- (i) following notification and subject to the Deferred shareholders and the Convertible Deferred shareholders returning to the Company the certificates in respect of their Deferred or Convertible Deferred Shares the Company shall issue certificates for the Ordinary Shares resulting from the conversion to each such holder. New share certificates shall be despatched by the Company to each shareholder entitled thereto within twenty eight days of the Company receiving the share certificates in respect of his Deferred or Convertible Deferred Shares (which the relevant shareholders shall be obliged to do within fourteen days of the aforesaid notification from the Company);

## SHARES

- 5 (1) Subject to the provisions of Table A and to the provisions of these articles, the directors, are generally and unconditionally authorised to exercise any power of the Company to offer, allot or grant rights to subscribe for or convert securities into or otherwise dispose of any shares (or interests in shares) in the Company, or any other relevant securities, up to the authorised share capital of the Company as at the date of adoption of these articles, to such persons, at such times and generally on such terms and conditions as the directors think proper provided that such authority shall only apply insofar as the Company in general meeting shall not have varied, renewed or revoked the same and provided that such authority may only be exercised within five years commencing upon the date of the adoption of these articles.
- (2) Any offer or agreement in respect of relevant securities, which is made by the Company prior to the expiration of such authority and in all other respects within the terms of such authority, shall be authorised to be made, notwithstanding that such offer or agreement would or might require relevant securities to be allotted after the expiration of such authority and, accordingly, the directors may at any time allot any relevant securities in pursuance of such offer or agreement.
- (3) The authority conferred upon the directors to allot relevant securities may at any time, by ordinary resolution of the Company in general meeting, be revoked, varied or renewed (whether or not it has been previously renewed under these articles) for a further period not exceeding five years.
- 6 (1) Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to any allotment of equity securities by the Company. Subject to article 5 (1) above, the shares comprised in the authorised share capital at the date of the adoption of these articles shall be at the disposal of the directors as they think proper but, unless otherwise determined by special resolution of the Company in general meeting or with the assent of all the members, any equity securities which are not comprised in the authorised share capital at the date of the adoption of these articles shall, before they are allotted on any terms to any person, be first offered by the Company on the same or more favourable terms to the members in proportion as nearly as is practicable to the nominal value of the Ordinary Shares in the Company held by the members respectively.

- (2) Such offer shall be made by notice specifying the number of equity securities offered and the period, being not fewer than twenty-one days, within which the offer, if not accepted, will be deemed to have been declined. After the expiration of such period, or if earlier on receipt of notice of the acceptance or refusal in respect of each offer so made, the directors may, subject to these articles, dispose of such equity securities as have not been taken up in such manner as they think proper.

### **RENOUNCEABLE ALLOTMENT LETTERS**

7. Where any renounceable allotment letters or other renounceable documents are issued by the Company in respect of the issue or offer of any shares, the directors may at their discretion impose such restrictions as they may think fit upon the right of any allotted or other person to whom the offer is made to renounce the shares so allotted or offered.
8. The Company is a private company and accordingly the following are prohibited:
  - (1) any offer to the public (whether for cash or otherwise) of any shares in or debentures of the Company; and
  - (2) any allotment of, or agreement to allot, (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

### **LIEN**

9. In regulation 8 of Table A the words and brackets "(not being a fully paid share)" shall be omitted.

### **TRANSFER OF SHARES**

10. No share and no interest in shares shall be transferred to any person otherwise than in accordance with the provisions of these articles.
11. The instrument of transfer of any fully paid shares shall be executed by or on behalf of the transferor, but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members of the Company in respect of such shares. In the case of a partly paid share, the instrument of transfer must also be executed by or on behalf of the transferee.
12. No shares and no interest in shares may be transferred to any infant, bankrupt or person of unsound mind.
- 13 (1) A member being a body corporate which is Omnicom Group Inc of New York, USA ("Omnicom") or any TBWA branded company or any Omnicom holding company or any intermediate subsidiary of Omnicom or any holding company

of Omnicom (collectively known as the "TBWA Group of Companies"), may at any time transfer all or any of its shares to a member of the same group. For the purposes of this article, the expression "a member of the same group" means in relation to the transferor company a company which is for the time being a holding company of the transferor company or a subsidiary of the transferor company or of any such holding company.

- (2) If the Deferred Shares and the Convertible Deferred Shares are to convert into Ordinary Shares in accordance with article 4(4)(f) and if any transfer of such Deferred Shares or Convertible Deferred Shares is required in order to effect such conversion then the restrictions on transfer contained in article 14 shall not apply to any such transfer of such shares.
- (3)
  - (a) Omnicom UK Limited shall be entitled to transfer up to 1662 Ordinary Shares in aggregate to Hilary Taylor at any time or times prior to 31 December 2004; and
  - (b) Omnicom UK Limited shall be entitled to transfer up to 1662 Ordinary Shares in aggregate to Robert Ffitch at any time or times prior to 31 December 2004; and
  - (c) Omnicom UK Limited shall be entitled to transfer up to 1662 Ordinary Shares in aggregate to Mathew James at any time or times prior to 31 December 2004; and
  - (d) Omnicom UK Limited shall be entitled to transfer up to 1664 Ordinary Shares in aggregate at any time or times prior to 31 December 2004 to such person or to such persons and in such proportions as the directors may direct; and
  - (e) Hilary Taylor shall be entitled to transfer up to 1662 Ordinary Shares in aggregate to Omnicom UK Limited at any time or times prior to 31 December 2004; and
  - (f) Robert Ffitch shall be entitled to transfer up to 1662 Ordinary Shares in aggregate to Omnicom UK Limited at any time or times prior to 31 December 2004; and
  - (g) Mathew James shall be entitled to transfer up to 1662 Ordinary Shares in aggregate to Omnicom UK Limited at any time or times prior to 31 December 2004; and
  - (h) the person or persons who together shall obtain the 1664 Ordinary Shares in accordance with article 13.3(d) shall be entitled to transfer such 1664 Ordinary Shares (or such proportion thereof held by them) to Omnicom UK Limited at any time or times prior to the Final Option Exercise Date.

The Final Option Exercise date being 31 December falling in the fifth year after the date of the Option Agreement(s) made between Omnicom UK Limited, such person or persons obtaining such shares in accordance with article 13.3(d), Simons Palmer Clemmow Johnson

(Holdings) Limited, Colin Andrew Gottlieb and Nicholas Vincent Manning; and

- (i) Colin Gottlieb and Nicholas Manning shall each be entitled to transfer up to either 5981 Ordinary Shares or, (but only in the event of such conversion as relates to the financial period to 30 June 1998 taking place in accordance with article 4.4(f)) 10551 Ordinary Shares, to Omnicom UK Limited at any time or times prior to 30 June 2005;
  - (4) The directors shall register a transfer made in accordance with the foregoing provisions of this article but, save as aforesaid, and unless in any particular case all the members for the time being shall otherwise agree in writing, none of the shares of the Company shall be transferred except in accordance with article 14.
14. Except in the case of a transfer of shares either expressly authorised by this article 14, or described in article 13(3) (a), (b), (c), (d), (e), (f), (g), (h) or (i) (which shall be in each case free of the restrictions on transfer provided for in article 14), the right to transfer shares in the Company shall be subject to the following restrictions and provisions, namely:
- (1) Subject as otherwise provided in this article 14 before transferring any shares or any interest in such shares the person proposing to transfer the same ("the proposing transferor") shall give a notice in writing sent by registered post ("the transfer notice") to the directors at the registered office of the Company for the time being that he desires to transfer the same. In the transfer notice the proposing transferor shall specify the price per share which he is willing to accept for each of the shares comprised in such transfer notice, the identity of the person (if any) who has indicated a willingness to purchase such shares at such price and the value per share of any cash or non-cash consideration which such person is proposing to pay the proposing transferor; and the price for each share so specified is referred to below as "the prescribed price per share". The transfer notice shall constitute the directors the agent of the proposing transferor for the sale of the shares mentioned in such transfer notice at the prescribed price per share.
  - (2) Immediately upon receipt of any transfer notice (or, in the circumstances contemplated by article 15, as soon as the prescribed price per share has been established) the directors shall offer each share comprised in such transfer notice for purchase at the prescribed price per share first to all shareholders (other than
    - (a) the member by whom or in respect of whose shares the transfer notice has been given or deemed to be given; and
    - (b) any member to whom under the provisions of article 12 shares may not be transferred)

who are at such time subsidiaries of Omnicom being within the TBWA Group of Companies on the terms that in case of competition the shares so offered shall be sold to the members accepting the offer in proportion (as nearly as may be and without increasing the number sold to any member beyond the number applied for by him) to their existing holdings of shares of such class. Insofar as



such offer shall not be accepted by such member(s) (if any), such remaining shares shall be offered secondly to all other members (other than

- (a) the member by whom or in respect of whose shares the transfer notice has been given or deemed to be given; and
- (b) any member to whom under the provisions of article 12 shares may not be transferred)

on the terms that in case of competition the shares so offered shall be sold to the members accepting the offer in proportion (as nearly as may be and without increasing the number sold to any member beyond the number applied for by him) to their existing holdings of shares of such class.

The offer, which shall be by notice in writing and sent by registered post, shall be on identical terms for each of such holders, shall specify the total number of shares on offer, the proportionate entitlement of the relevant holder and the prescribed price per share and shall invite each of such holders to state in writing by registered post within a period of 30 days whether he is willing to take any, and if so what maximum, number of the shares on offer. Any such offer shall be subject to paragraph 4 of this article.

- (3) The directors shall give notice in writing to the proposing transferor of the identity of any member or members ("purchaser" or "purchasers") accepting the offer, and of the number of shares agreed to be purchased, and upon receipt of that notice and subject to the provisions of paragraph 4 of this article the proposing transferor shall be bound, upon payment of the prescribed price per share for each of such shares, to transfer such shares to the purchaser or respective purchasers of such shares. The purchase shall be completed within 15 days of receipt of that notice by the proposing transferor at the registered office of the Company (or at such other place as may be appointed by the directors).
- (4) If the offer is not duly accepted in respect of all the shares comprised in the transfer notice the proposing transferor shall at any time within 30 days after the expiry of the offer be entitled (but not bound) to transfer all or any of the shares comprised in the transfer notice (or, at the option of the proposing transferor notified to the directors within seven days of the relevant notification to him pursuant to paragraph 3 of this article, the number in respect of which the offer is not duly accepted) on a bona fide sale to any person or persons at any price per share not being less than the prescribed price per share (having regard to the value per share both of cash and non-cash consideration).
- (5) All members of the Company may at any time agree in writing to waive the provisions of this article 14.

- 15
- (1) A person entitled to a share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by a majority in value of the other members so to do, to give a transfer notice in respect of all the shares then registered in the name of the bankrupt member.
  - (2) A person entitled to a share in consequence of the death of a member shall be bound at any time before the expiration of six months from the date of such

death, if and when required in writing by a majority in value of the other members so to do, to give a transfer notice in respect of all the shares then registered in the name of the deceased member.

- (3) A member which is a body corporate shall be bound at any time after it shall have gone into liquidation (not being a liquidation for the purposes only of amalgamation or reconstruction) or similar status in the country of its incorporation, if and when required in writing by a majority in value of the remaining members so to do, to give a transfer notice in respect of all the shares then registered in the name of such member.
- (4) In any case where a transfer notice has been duly required to be given under this article 15 in respect of any shares and such transfer notice is not given within a period of one month, such transfer notice shall (except and to the extent that a transfer of any such shares in favour of a person to whom they may be transferred pursuant to article 13 shall have been lodged prior to the expiration of the said period) be deemed to have been given at the expiration of the said period.
- (5) In any case where a transfer notice has been duly required or is deemed to be given under this article 15 in respect of any shares then "the prescribed price per share" shall be the fair value of each of the shares which are the subject of such transfer notice or deemed transfer notice as determined by the auditors of the Company for the time being. In determining the fair value of each of such shares such auditors shall act as experts and not as arbitrators. The "fair value" of each of the shares in question shall be the market value of such share as between a willing buyer and a willing seller but save that no account shall be taken of the fact that the shares which are the subject of such transfer notice or deemed transfer notice do, or do not, constitute a minority holding in the Company.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 6 (1) (a) No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business and also when such business shall be voted upon. Two members so present and entitled to vote shall be a quorum for all purposes **PROVIDED THAT**, in circumstances where there is one member only, the quorum for any general meeting shall for all purposes be that member so present.
- (b) If a quorum is not present at any such adjourned meeting as is referred to in regulation 41 of Table A, then, provided that the member present holds not fewer than 75% in nominal value of the shares of the Company in issue, any resolution agreed to by such member shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- (2) A poll may be demanded at any general meeting by the chairman or by any member present and entitled to vote at that meeting.
- (3) Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in respect of their

right to appoint proxies. Notices of and other communications relating to any general meeting which any member is entitled to receive shall also be sent to the directors and to the auditors for the time being of the Company.

17. (a) 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 by the chairman of the result of the show of hands, demanded in accordance with article 16(2).
  - (b) If at any general meeting any votes shall be counted which ought not to have been counted, or not be counted which ought to have been counted, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, and not in that case unless it shall, in the opinion of the chairman of the meeting, be of sufficient magnitude to vitiate the result of the voting.
  - (c) In regulation 54 of Table A the words ", not being himself a member entitled to vote," shall be deleted.
  - (d) Regulation 57 of Table A shall not apply to the member in circumstances where there is one member only.
18. Any member or member's proxy or duly authorised representative (being a corporation) may participate in a general meeting or a meeting of a class of members of the Company by means of conference telephones or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

#### **MEMBERS' ASSENT**

- 19 (1) Pursuant to the rights and powers under common law of all members having the right to receive notice of and to attend and vote at general meetings to assent or agree to any matter, such members' assent or agreement to any matter may (without limitation), if written be evidenced by one or more documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the assent or agreement and signed by or on behalf of or otherwise emanating from one or more of such members. Any such signature may be given personally or by a duly appointed attorney or in the case of a body corporate by an officer or by its duly authorised corporate representative.
- (2) The provisions of article 19(1) are in addition to and not exclusive of:
- (a) any other rights and powers under common law of all members or any class of members having the right to attend and vote at general meetings to assent or agree to or ratify any matter or to pass any resolution by unanimous written consent; and

- (b) any statutory rights of the members or any class of members under sections 381A and 381B of and schedule 15A to the Act,

all of which rights and powers may be exercised by the members as an alternative to the unanimous assent or agreement referred to in article 19(1).

### **PROXIES**

20. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority may be handed to the chairman of the relevant meeting and regulation 62 of Table A shall be modified accordingly.

### **DIRECTORS**

- 21 (1) Unless otherwise determined by ordinary resolution the number of directors shall not be subject to any maximum but shall be not fewer than one.
- (2) Any adult person may be appointed or elected as a director whatever may be his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

### **BORROWING POWERS**

22. The directors may exercise all the powers of the Company to borrow or raise money *without limit as to amount and upon such terms and in such manner as they think fit* and to grant any mortgage or charge over its undertaking, property and uncalled capital, or any part thereof and subject in the case of any security convertible into shares to section 80 of the Act to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### **DIRECTORS' INTERESTS**

- 23 (1) A director who is in any way interested in a contract or a proposed contract with the Company (whether directly or indirectly) must declare the nature of his interest at any meeting of the directors or of a committee of the directors at which such contract or proposed contract is to be discussed, or otherwise by notice to the directors in accordance with the provisions of the Act. Having made such disclosure a director shall be entitled to vote at a meeting of directors or of a committee of the directors in respect of such contract or proposed contract in which he is interested and shall also be counted in reckoning whether a quorum is present or deemed to be present at the meeting of the directors or, if relevant, the committee of the directors.
- (2) A director may, notwithstanding his office, hold and be remunerated in respect of any office or place of profit held in the Company provided that he has previously complied with all requirements of the Act relating to disclosure of interests, and he or any firm, company, or other body in which he has an

interest may act in a professional capacity for the Company and be remunerated for such work and shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or place of profit. Regulation 85 of Table A shall be modified accordingly.

- (3) For the purposes of regulation 85 of Table A (as modified by articles 23(1) and (2)) a director shall be considered to be interested in any contract, transaction or arrangement (if he would not otherwise be so interested) in which he is treated as interested for the purposes of section 317 of the Act. In the case of any transaction or arrangement with the Company in which the director is interested, a general notice given by a director and which otherwise complies with regulation 86(a) of Table A shall not be a disclosure as provided in that regulation unless it relates to a specified company or firm or other body in which he is interested or to a specified person who is connected with the director within the meaning of section 346 of the Act. Regulation 86 of Table A shall be modified accordingly.

### **DISQUALIFICATION OF DIRECTORS**

24. The office of a director shall be vacated immediately:
- (1) If (not being precluded from so doing by the terms of any contract with the Company) by notice to the Company he resigns the office of director; or
  - (2) If he is or becomes bankrupt or insolvent or enters into any arrangement with his creditors; or
  - (3) If he is or becomes incapable by reason of illness, injury or mental disorder of exercising his functions as a director properly; or
  - (4) If he is removed from office by a resolution duly passed pursuant to section 303 of the Act; or
  - (5) If he is prohibited from being a director by an order made under the Company Directors Disqualification Act 1986 or otherwise by law.

### **ROTATION OF DIRECTORS**

25. The directors shall not be liable to retirement by rotation and accordingly the words "and may also determine the rotation in which any additional directors are to retire" in regulation 78 of Table A and the second and third sentences in regulation 79 of Table A shall not apply to the Company as shall any other references to retirement by rotation in Table A.

### **MEMBERS' APPOINTMENTS**

26. A member or members having the right to attend and vote at any general meeting of the Company and holding 75% in nominal value of the shares giving that right may from time to time by notice to the Company remove any director from office or appoint any person to be a director, and any such removal or appointment shall be deemed to

be an act of the Company and not only of such member or members. Any such notice may consist of one or more documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the resolution and each signed by or on behalf of or otherwise emanating from such member or members. Any such signature may be given personally or by a duly appointed attorney or in the case of a body corporate by an officer or by its duly authorised corporate representative.

## **PROCEEDINGS OF DIRECTORS**

27. (1) The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all directors indicate their willingness to accept shorter notice of a meeting of directors, no fewer than 14 days prior notice of the time and place of each meeting of directors shall be given to each director.
- (2) A director may, and the secretary on the requisition of a director shall, at any time call a meeting of the directors. Notice of every meeting of the directors shall be given to every director, but the non-receipt of notice by any director shall not invalidate the proceedings at any meeting of the directors.
- (3) The quorum necessary for the transaction of the business of the directors shall be two. In circumstances where there is one director only, the quorum for any meeting of directors or committee of directors shall be one and that director or his alternate shall exercise all the powers and discretions expressed to be vested in the directors by the regulations of Table A and by these articles.
- (4) Questions arising at a meeting shall be decided by a majority of votes. The chairman shall not have a second or casting vote at meetings of the board.
28. (1) A resolution of all the directors for the time being entitled to receive notice of meetings of directors shall be as valid and effective as if it had been passed at a meeting of the directors duly convened and held, and may consist of several documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the resolution and each signed by or emanating from one or more of the directors.
- (2) Any director may participate in a meeting of directors by means of a conference telephone or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.
- (3) All directors whether or not absent from the United Kingdom shall be entitled to receive notice of meetings of the directors.
- (4) Where the Company, having only one member, enters into a contract (other than a contract entered into in the ordinary course of the Company's business) with the sole member of the Company and such sole member is also a director of the Company the terms of such contract shall, unless the contract is in

writing, be set out in a written memorandum or be recorded in the minutes of the first meeting of directors following the making of the contract.

29. Any meetings of a committee appointed under regulation 72 of Table A shall be governed mutatis mutandis by articles 26, 27 and 28 of these articles.

### **SECRETARY**

30. 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. The directors may from time to time by resolution appoint one or more joint, assistant or deputy secretaries to exercise the function of the secretary. Regulation 99 of Table A shall be modified accordingly.

### **MANAGING OR EXECUTIVE DIRECTORS**

- 31 (1) The directors may from time to time appoint one or more of their number to an executive office (including that of managing director, manager or any other salaried office) for such period and upon such terms as they think fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A director so appointed to an executive office shall (without being entitled to make any claim for damages for breach of any contract of service or claim for compensation between him and the Company) ipso facto cease to hold that office (unless otherwise agreed between himself and the Company), if he ceases from any cause to be a director.
- (2) The managing director, manager or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a director) as the directors may from time to time determine.
- (3) The directors may entrust to and confer upon a managing director, manager or other executive officer as aforesaid any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time withdraw, alter or vary all or any of such powers.

### **ALTERNATE DIRECTORS**

- 32 (1) Any director may at any time appoint another director or any other person to be his alternate director and may at any time terminate such appointment. Any such appointment or removal shall be by notice from the director to the Company.
- (2) Any person appointed as an alternate director shall vacate his office as such alternate director if and when the director by whom he has been appointed vacates his office as director otherwise than by retirement and re-election at the same meeting and upon the happening of any event which, if he were a director would cause him to vacate such office.

- (3) An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply *mutatis mutandis* as if he were a director. If an alternate director is himself a director, he shall be entitled in such circumstances as aforesaid to exercise the vote of the director for whom he is an alternate in addition to his own vote. If an alternate director's appointor does not sign the same the alternate director's signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. The foregoing provisions of this article 32(3) shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member.
- (4) Any alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements and be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company from time to time direct.
- (5) In addition to the right to appoint any other director or any other person to be his alternate director, any director may at any time appoint any other director or any other person to act as a replacement director for him on such terms and subject to such conditions as he shall elect and may at any time terminate such appointment. Any such appointment or removal shall be by notice from the director to the Company.
- (6) Any such replacement director (as such) shall not be deemed to be a director by reason of such appointment and except as provided in these articles or in the notice appointing him shall not have power to act as a director nor have any of the responsibilities or duties of a director nor shall he be deemed to be a director for the purposes of these articles other than as specified in paragraphs (7) and (8) of this article. A replacement director shall not be deemed to be the agent of his appointor except in relation to matters in which he acted or failed to act on the direction of his appointor as given in the notice of his appointment.
- (7) A replacement director shall be entitled to attend and vote as a director and to count for the purposes of any quorum at any such meeting at which the director appointing him is not personally present and at which his appointor has authorised him to attend and vote. At any such meeting the replacement director shall be authorised to act in accordance with the authority given to him by his appointor in the notice of his appointment. If a replacement director is himself a director, he shall be entitled in such circumstances as aforesaid to exercise the vote of the director for whom he is a replacement in addition to his own vote. If a replacement director does not sign the same, the replacement director's signature to any resolution in writing as a director shall be as effective as the signature of his appointor. The foregoing provisions of this paragraph of this article shall apply *mutatis mutandis* to any meeting of any committee of the directors of which his appointor is a member.



- (8) The provisions of paragraphs (2) and (4) of this article 32 shall apply mutatis mutandis to any replacement director.

### **PENSIONS AND ALLOWANCES**

33. The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a holding company or a subsidiary of the Company or is allied to or associated with the Company or with any such holding company or subsidiary, or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and the wives, widows, families, relations and dependants of any such persons, and establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, subject always, if so required by law, to particulars with respect to the proposed payment being approved by the Company, and a director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

### **THE SEAL**

- 34 (1) If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any document to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal.
- (2) 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.
- (3) The Company may dispense with the need for a company seal insofar as permitted by the Act.

### **NOTICE**

- 35 (1) Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- (2) Any notice to be given under these articles may be delivered personally or sent by first class post (airmail if overseas) or by telex or facsimile.

- (3) The address for service of any notice shall be as follows:

in the case of a member or his legal personal representative or Company; trustee in bankruptcy:	such member's address as shown in the Company's register of members of the
--	--

in the case of a director:	his last known address or at the address notified by him to the Company for that purpose;
-------------------------------	--

in the case of a meeting of the directors:	the place of the meeting;
--	---------------------------

in the case of the Company:	its registered office; and
--------------------------------	----------------------------

in the case of any other person:	to his or its last known address.
-------------------------------------	--------------------------------------

- (4) Any such notice shall be deemed to have been served and be effective:

- (a) if delivered personally, at the time of delivery;
- (b) if posted, on receipt or at the expiry of two Business Days (or in the case of airmail four Business Days) after it was posted, whichever occurs first;
- (c) if sent by telex or facsimile, at the time of transmission (if sent during normal business hours, that is 9.30 to 17.30 local time in the place to which it was sent) or (if not sent during such normal business hours) at the beginning of the next day in the place to which it was sent; and
- (d) if sent by cable or telegram, at the time of delivery.

For the purposes of this article 35, "Business Day" means any day other than a Saturday, Sunday or any day which is a public holiday in the place or places at which the transaction in question is being effected or the notice in question is being effected.

- (5) In proving such service it shall be sufficient to prove that personal delivery was made, or that such notice was properly addressed stamped and posted or in the case of a telex that the intended recipient's answerback code is shown on the copy retained by the sender at the beginning and end of the message or in the case of a facsimile that an activity or other report from the sender's facsimile machine can be produced in respect of the notice showing the recipient's facsimile number and the number of pages transmitted.

- (6) 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 members of the Company in respect of the joint holding. Notice so given shall constitute notice to all the joint holders.

#### **WINDING UP**

36. In regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

#### **INDEMNITY**

37. Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 144 or 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. This article shall only have effect insofar as its provisions are not avoided by section 310 of the Act.