

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES
OF ASSOCIATION

— OF —

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

Registered company Number 02668432

Date of Incorporation 4th December 1991

Special Resolution varying Memorandum dated 3rd May 2000

Special Resolution amending Articles of Association dated 3rd May 2000

Messrs. Mowl & Mowl,
34 & 36 Castle Street,
Dover, Kent, CT16 1PN



**MEMORANDUM AND ARTICLES
OF ASSOCIATION
— OF —**

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THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
— OF —

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

Altered by Special Resolution dated 3rd May 2000

1. NAME

The company's name is Marlborough Knightsbridge Management Limited

2. SITUATION OF REGISTERED OFFICE

The registered office of the company is to be situated in England and Wales

3. OBJECTS

The company's objects are:—

(A) PRINCIPAL OBJECTS

The Principal Objects (described in this Memorandum and Articles of Association as "the Principal Activity") shall be:—

(1) Acquire and manage Marlborough

To acquire hold manage maintain administer and deal with certain land and buildings and the common roads pathways and gardens adjacent and belonging thereto ("the Property") situate at Marlborough 61 Walton Street London SW3

(2) Extended Leases

To grant extended leases of 999 years in respect of flats at the Property on such terms and conditions as the company shall from time to time decide

(3) Maintenance

To provide such renewals improvements replacements and additions as may from time to time become necessary or desirable to maintain and improve the amenities of the Property

(4) Insurance

To place and maintain policies in respect of all parts of the Property against loss or damage by fire storm or tempest or other special perils normally included in the Property Owners Liability Policies and to place and maintain policies of insurance against all third party Claims and all such other policies of insurance as shall be considered necessary or desirable or fit and to enter into such contracts and obligations as may be necessary for that purpose

(B) OTHER OBJECTS

(1) Collection of contributions

To collect from the members of the company and residents at the Property liable for the same, contributions payable by each of them towards such management control maintenance and improvements in respect of the Principal Activity,

(2) Rules and regulations

To execute and enter into and carry out all such other instruments and acts and things as may be requisite for the purpose of ensuring the efficient management and administration of the Property including, without prejudice to the generality of the foregoing, to enact or devise such rules or regulations relating to the use, occupation or ownership of any part of the Property as the company's members shall approve in General Meeting

(3) Provision of facilities

To do all works and things requisite necessary convenient or desirable for providing lighting and heating facilities for and supplying electricity gas water and all other services and amenities to the Property and to pay all the rates and taxes including the water rates (if any) and all other outgoings of whatsoever nature charged assessed or payable thereon or on any part thereof and for engaging gardeners and other employees to provide amenities and services for the Property and the residents thereof

(4) Deeds and documents

To enter into leases deeds covenants and other instruments whereby the company may or shall assume liabilities and responsibilities for carrying out obligations of all kinds of or in connection with the Property and the residents thereof

(5) Rent and service charge collection

To collect rents service charges and other monies and contributions from members of the company and residents of the Property pursuant to the Leases deeds and covenants and other documents in respect of the Property and in furtherance of the Principal Activity

(6) To acquire rights

To purchase or by other means acquire and protect any licences, protections and concessions or other rights which may appear likely to be advantageous or useful to the company in respect of the Property and in furtherance of the Principal Activity

(7) Disposals

To sell, let, lease, grant licences, easements, and other rights over the whole or any part of the Property for such consideration as may be thought fit in furtherance of the Principal Activity



- (8) **Enforcement**
To enforce any covenants affecting land forming part of the Property the benefit of which covenant is held by the company and/or by any member of the company including without limitation to forfeit any lease or take possession or other proceedings in respect of any lease or resident at the Property
- (9) **Building work**
To construct alter and maintain any building or works necessary or convenient or desirable in respect of or in connection with the Property including any additional building or works to the Property
- (10) **Borrowing power**
To borrow and raise money in any manner and on any terms for the purposes of the company's Principal Activity and to give security therefor in the form of a mortgage charge or other security upon the whole or any part of the company's property or assets from time to time
- (11) **Expenses**
To pay all preliminary expenses of the company including in such preliminary expenses all or any part of the costs and expenses of the members extending their leases of flats at the Property
- (12) **Arrangements**
To enter into any arrangements with any company that may seem conducive to the company's Principal Activity and to obtain from any such company any contracts which the company may think it desirable to obtain and to carry out exercise and comply with the same
- (13) **To pay for staff and services**
To remunerate any person firm or company rendering services to the Company
- (14) **Negotiable instruments**
To draw make accept endorse discount execute and issue promissory notes bills of exchange bills of lading warrants debentures and other negotiable or transferable instruments in connection with and for the purposes of the Company's Principal Activity
- (15) **To engage agents**
To do all or any of the things hereinbefore authorised either alone or in conjunction with or as trustee or agent or by or through trustees or Managing Agents and either with or without the intention or object of profit and whether gratuitously or otherwise
- (16) **To make investments**
To invest and deal with the moneys of the Company in or upon such investments and in such manner as may from time to time be determined
- (17) **To purchase and maintain insurance policies**
To purchase and maintain for the purposes of the company or for the benefit of any person (including directors of the company) any insurance, including but not limited to any contract of insurance indemnifying any director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company
- (18) **To do other things incidental to the objects**
To do all such other things as are incidental or conducive to the above objects or any of them
4. **OBJECTS TO BE SEPARATE AND DISTINCT**
It is hereby declared that the objects of the company as specified in each of the foregoing paragraphs of clause 3 above shall be separate and distinct objects of the company and shall not be in any way limited by reference to any other paragraphs or the order in which the same occur
5. **HEADINGS NOT PART OF MEMORANDUM**
It is hereby declared that paragraph headings in this Memorandum and in the Table of Contents do not form part of this Memorandum
6. **LIMITED LIABILITY**
The liability of the members is limited
7. **SHARE CAPITAL**
The share capital of the company is £168.00 divided into 168 ordinary shares of £1.00 each

WE, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses of Subscribers

Number of shares taken
by each Subscriber

For and on behalf of
MBC NOMINEES LIMITED
Classic House
174-180 Old Street
LONDON
EC1V 9BP

ONE

For and on behalf of
MBC SECRETARIES LIMITED
Classic House
174-180 Old Street
LONDON
EC1V 9BP

ONE

Dated the 4th day of March 1991

WITNESS to the above Signatures:-

LYNN HUGHES
Classic House
174-180 Old Street
LONDON
EC1V 9BP

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION*

- of -

MARLBOROUGH KNIGHTSBRIDGE MANAGEMENT LIMITED

(Altered by special Resolution dated 3rd May 2000)

INTERPRETATION

1. MEANINGS

(1) In these articles:—

- (a) “clear days” in relation to a period of 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
- (b) “Common Amenities” means any part of the Estate not constituting Property and designated by the directors to be maintained for the common benefit of the occupiers of the Property including any service media therein the repair replacement and maintenance of which is not the responsibility of any third party
- (c) “Estate” all that land and buildings common roads and pathways and gardens adjacent and belonging thereto situate at and known as Marlborough 61 Walton Street London SW3
- (d) “executed” includes any mode of execution
- (e) “Non-Participating Tenant” means a person holding a leasehold interest in the Property which interest does not constitute a Property Interest
- (f) “Property” means each of the existing 168 flats at the Estate and any other such accommodation constructed in the future which shall be demised or shall be capable of being demised under leases from the commencement of the term thereof designated by the directors as being the part in respect of which ordinary shares are allotted or are intended to be allotted being all the Estate other than the Common Amenities but excluding the flat occupied by the porter employed from time to time by the company for the better management of the Estate
- (g) “Property Interest” means in relation to part of the Property a leasehold interest therein for a term of years commencing 25th December 1991
- (h) “Resident” means any person who is for the time being registered or entitled to be registered at HM Land Registry as the Lessee of any flat forming part of the Property and being all the members of the company and the Non-Participating Tenants and “Residents” shall be construed accordingly
- (i) “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
- (j) “the Act” means the Companies Act 1985 as amended by the Companies Act 1989 and includes any statutory modification or re-enactment of that Act for the time being in force
- (k) “the articles” means the Articles of Association of the company
- (l) “the company” means the company known as Marlborough Knightsbridge Management Limited
- (m) “the holder” in relation to shares means the member whose name is entered in the register of members as the holder of the shares
- (n) “the office” means the registered office of the company
- (o) “the seal” means the common seal of the company
- (p) “the United Kingdom” means Great Britain and Northern Ireland

- (2) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form
- (3) Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the company and “person” includes a company or other body corporate
- (4) Paragraph headings used in these articles and in the Table of Contents do not form part of the articles of association of the company

2. PRIVATE COMPANY

The company is a private limited company and accordingly any offer to the public of shares in or debentures of the company or any allotment of or agreement to allot shares in or debentures of the company with a view to their being offered for sale to the public is prohibited

SHARE CAPITAL

3. SHARE CAPITAL

- (1) The share capital of the company is £168 divided into 168 ordinary shares of £1 each such share having attached thereto the rights set forth in these articles.
- (2) Save as referred to below the ordinary shares shall rank *pari passu* in all respects

4. CONTROL OF ORDINARY SHARES

- (1) All ordinary shares in the capital of the company at the date of adoption of these articles and for the time being unissued shall be under the control of the directors who are unconditionally authorised (subject to paragraph (2) below) to allot the same or any of them at par fully paid for an unlimited period following the adoption of this paragraph to persons who acquire a Property Interest after the date of adoption of this paragraph in the proportion of 1 ordinary share for each flat at the Property which they acquire Provided That no further ordinary shares may be allotted in respect of the subsequent acquisition or grant of a Property Interest in that part of a Property
- (2) In accordance with Section 91 of the Act Sections 89(1) and 90(1)-(6) of the Act shall not apply to the Company until all the 168 Ordinary being the authorised share capital at the date of adoption of these Articles have been allotted but shall apply thereafter

5. JOINT HOLDERS

If more than one person jointly acquires a Property Interest those persons shall jointly hold one ordinary share in the company for each flat at the Property which they so jointly acquire but shall at any meeting have only one vote in respect of that ordinary share, whether as members or directors

6. TRUSTS

The company shall not recognise any trust but nothing in this prohibition shall prevent the trustees of any trust from registering themselves as members if they shall otherwise be properly qualified for membership, in which case they shall be treated for the purposes of voting as single or joint members according to the number of trustees in question

7. MEMBERSHIP QUALIFICATION

A person who does not have a Property Interest shall not be entitled to be a member of the company

SHARE CERTIFICATES

8. ENTITLEMENT TO CERTIFICATE

Every member, upon becoming the holder of any share, 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 or executed as a deed in the manner authorised by the Act 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. RENEWAL OF CERTIFICATE

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

TRANSFER OF SHARES

10. TRANSFER OF SHARES RESTRICTED

- (1) Subject as provided in this article an ordinary share may only be and shall be transferred in the following circumstances, namely:—
 - (a) upon or immediately before a disposal of a Property Interest and then only to the person who acquires that Property Interest;
 - (b) upon or immediately before the grant of a new Property Interest in respect of part of the Property which has already been the subject of the grant of a Property Interest and then only to the person who acquires that new Property Interest;
 - (c) upon or immediately before the expiry or surrender of a Property Interest (being a leasehold interest) in part of the Property and then only to the person who following such expiry or surrender holds a Property Interest in that part of the Property

PROVIDED that there shall at no time be subsisting more than one ordinary share in respect of each flat at the Property and so that if there shall at any time be subsisting more than one Property Interest in respect of any flat at the Property the shares relative to that part of the Property shall be transferred to such of the holders of such Property Interest as they may agree and in default of agreement as the directors shall in their absolute discretion determine and that on the exercise of a power of re-entry in relation to a Property Interest and the resultant forfeiture and vesting of the leasehold interest in the company (or its successors in title) the directors may give notice in writing to such shareholder requiring him to transfer the shares registered in his name in respect of that Property Interest, for no consideration, to either the relevant lessee or the company or the nominees or successors in title of any such person and if the shareholder refuses or neglects to transfer such shares within 7 days after such notice has been given, the provisions of the proviso to article 13 below (save for the last sentence thereof) shall apply (*mutatis mutandis*)

- (2) The registration of transfers of shares 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
- (3) 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
- (4) 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

11. PRICE ON TRANSFER

The price to be paid upon any transfer of ordinary shares shall be the nominal value thereof

12. DISENFRANCHISEMENT

If the holder of any share or any other person or persons entitled to transfer the same refuses or neglects to transfer any share in accordance with these articles then the holder shall cease to be entitled to exercise any of the rights and privileges of a member of the company and the chairman for the time being of the directors shall forthwith be deemed to be the duly appointed attorney of that holder or other person with full power in his name and on his behalf to execute complete and deliver a transfer thereof to the person to whom it should be transferred hereunder against payment of the price therefor to the company (which the company shall hold on trust for the transferor thereof subject to delivery to the company of the certificate relating to such shares) and the company may enter the name of the transferee in the register of members as the holder by transfer of the said shares

13. MANDATORY TRANSFER

If at any time for any reason whatsoever any ordinary shares are registered in the name of a person who is not a holder of a Property Interest or if any person shall become entitled to shares by reason of the death or bankruptcy of a shareholder without at the same time becoming a holder of a Property Interest ("a Holder") the directors may give notice in writing to such shareholder or person or, in the case of the executors or administrators of a deceased shareholder (not being a joint holder) becoming so entitled, to such executors or administrators, requiring him or them to transfer such shares to a person who is a Holder and if the same shall not have been so transferred within one month after such notice has been given the directors may at any time thereafter (unless in the meantime the same shall have been so transferred) call upon the shareholder or upon such executors or administrators as aforesaid to transfer such shares to any person or persons being a Holder or Holders found by the directors to be willing to purchase the same at the nominal value thereof and the shareholder or such executors or administrators as aforesaid shall thereupon sell and transfer such shares accordingly

Provided that if such shareholder, executors or administrators shall make default in so selling and transferring such shares the Chairman for the time being of the directors or, failing him, one of the directors duly nominated by resolution of the board of directors for that purpose shall forthwith be deemed to be the duly appointed attorney of such shareholder executors or administrators with full power in his or their names and upon his or their behalf to execute complete and deliver a transfer of his or their shares to the Holder to whom it should be transferred in accordance with the provisions hereof who shall then be entered on the register as the Holder or Holders of such shares and upon such registration in purported exercise of the power of the directors under this article the validity of the proceedings shall not be questioned by any persons. The receipt of the company for the sale price for such shares shall be a good discharge to the purchasing shareholder and the company shall hold such sale price on trust for the transferor who shall be bound to deliver up the share certificates for such shares to the company and upon delivery shall be entitled to receive the sale price without interest

14. REGISTRATION OF TRANSFERS

- (1) Subject to the provisions of sub-clause (2) of this article the directors shall be bound to register transfers made in accordance with these articles but no other transfers shall be registrable
- (2) The directors may decline to register the transfer of shares:—
 - (a) to any person who may have diplomatic or other such similar immunity; or
 - (b) on which the company has a lien; or
 - (c) if there shall be a subsisting breach of any covenant under a Lease or Deed of Covenant or other such document relating to the Property in respect of which the shares were allotted
- (3) 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

15. COMPANY TO HAVE FIRST LIEN

The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) 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

16. COMPANY'S POWER OF SALE

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 share may be sold

17. AUTHORITY TO EXECUTE TRANSFER

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

18. APPLICATION OF PROCEEDS

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

ALTERATION OF SHARE CAPITAL

19. COMPANY'S POWER TO ALTER

The company may by special resolution make the following alterations to its share capital:—

(1) Increase

Increase its share capital by new shares of such amount as the resolution prescribes;

(2) Consolidation and division

Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(3) Subdivision

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

(4) Cancellation

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

20. FRACTIONS

Whenever as a result of a consolidation of share 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

21. REDUCTION

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

22. PURCHASE OF OWN SHARES

Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributive profits of the company or the proceeds of a fresh issue of shares

GENERAL MEETINGS

23. EXTRAORDINARY GENERAL MEETINGS

All general meetings other than annual general meetings shall be called extraordinary general meetings

24. WHO MAY CONVENE

The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Acts, 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

NOTICE OF GENERAL MEETINGS

25. REQUIREMENTS FOR NOTICE OF MEETINGS

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 days' notice but a general meeting may be called by shorter notice if it is so agreed:—

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) 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

26. ACCIDENTAL OMISSION TO GIVE NOTICE

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

PROCEEDINGS AT GENERAL MEETINGS

27. ATTENDANCE BY DIRECTORS

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

28. QUORUM

No business shall be transacted at any meeting unless a quorum is present. 10% of the members from time to time entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum. All meetings of the company shall be held within a radius of 2 miles of the Property

29. ABSENCE OF A QUORUM

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine and the quorum for such adjourned meeting shall be such as the directors shall determine

30. POWER TO ADJOURN

The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give any notice of the adjourned meeting

31. VOTES OF MEMBERS

(1) Voting

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:—

(a) by the chairman; or

(b) by any member having the right to vote at the meeting; or

and a demand by a person as proxy for a member shall be the same as a demand by the member

(2) Casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall have a second or casting vote in addition to any other vote he may have

(3) One vote

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly 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

(4) Joint holders

In the case of joint holders of shares 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, provided that at the discretion of the chairman any other joint holder may vote instead of the first named holder

32. MEMBERS AGAINST WHOM ORDER MADE

(1) 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

(2) 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

(3) 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

33. SUSPENSION OF VOTING RIGHTS

The holder of an ordinary share, in the event of the non-payment of any monies for more than 28 days of the date due under, or the service of any notice under Section 146 of the Law of Property Act 1925 as a result of the breach of any covenants contained in, any Deeds of Covenant, Leases or Rent Charges or these articles or other relevant documentation of or affecting a shareholder's Property Interest, the voting rights attached to any relevant share shall be automatically and forthwith suspended and such shareholder shall not thereafter be entitled to receive notices of or attend or vote at any General Meetings of the company unless and until

(a) the directors shall determine that the shareholder has satisfactorily complied with all conditions stated in any such Section 146 notice or

(b) relief from forfeiture is granted by the relevant Court or

- (c) the shareholder has paid in full all monies due under such Deed of Covenant, Lease or Rent Charge or these articles or other relevant documentation

34. VOTES ON A POLL

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

35. WITHDRAWAL OF DEMAND FOR POLL

(1) 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

(2) 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

36. WHEN POLL TAKEN

A poll demanded on the election of a chairman 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

37. RESOLUTIONS IN WRITING

Subject to the provisions of the Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held. Any such resolution may consist of several instruments in the like form each executed by or on behalf of one or more members

38. PROXIES

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 , and at any adjournment thereof.
Signed on ."

39. PROXY FOR OR AGAINST RESOLUTION

Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:—

" PLC/Limited"
I[We] of in the county of , being a member [members] of the above named company, hereby appoint of , or failing him of , as my [our] proxy to vote for me [us] on my [our] behalf at the annual [extraordinary] general meeting of the company to be held on the day of , and at any adjournment thereof
Signed this day of

This form is to be used *in favour of the resolution.*against.. Unless otherwise instructed, the proxy will vote as he thinks fit or abstain from voting

*Strike out whichever is not desired."

40. DEPOSIT OF INSTRUMENT OF PROXY

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the directors may

- (a) 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
- (b) 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
- (c) 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;
- and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

41. VOTE GIVEN BY PROXY

A vote given or a 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 such 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

DIRECTORS

42. NUMBER AND QUALIFICATION

- (1) Unless and until otherwise determined by ordinary resolution there shall be not less than five directors and not more than seven.
- (2) No person shall be first appointed a director if aged 75 or over and any director who reaches the age of 75 shall retire from office at the first annual general meeting following his 75th birthday and thereafter shall be eligible for re-election every year until he dies, retires, becomes disqualified or fails to be elected.
- (3) Subject to paragraph (4) of this article no person shall be appointed or be entitled to hold office of director of the company unless he or she is a member of the company and any person who ceases to be qualified to be a director by virtue of not being qualified as a member or whose relationship to or authority from a duly qualified member under paragraph (4) ceases (or if that member ceases to be duly qualified), shall hold office only until the first annual general meeting after such cesser
- (4) Any person who is related by blood adoption or marriage to, or any person nominated for that purpose by a company which is, a duly qualified member shall be eligible to become a director

43. DIRECTORS NOT TO BE REMUNERATED

- (1) No director shall be entitled to any remuneration for his services but directors and the secretary shall be entitled to be reimbursed for all expenses incurred in the performance of their duties up to a maximum of £1,500 increased annually in accordance with the General Index of Retail Prices
- (2) Article 47(3) shall apply for the indexation of the sum of £1,500 mentioned in paragraph (1) of this article as it does for the sum of £30,000 mentioned in article 47

POWERS AND DUTIES OF DIRECTORS

44. DIRECTORS MAY EXERCISE POWERS OF COMPANY

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 pay all expenses incurred in promoting and registering the company, and may exercise all powers of the company, but no regulation nor any alteration of the memorandum or articles made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation or alteration had not been made

45. POWER TO DELEGATE

The directors may delegate any of their powers to any committee consisting of three 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. 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

46. CONTRIBUTIONS

(1) From Residents

The directors may from time to time fix demand and collect in advance contributions from Residents for the purpose of paying or reimbursing the company the cost of the provision of the services for and management of the Common Amenities and other facilities for the Property which the company will have undertaken to provide and the cost of which the Residents shall have agreed to bear pursuant to covenants contained in Transfers or Leases of Property Interests or in Deeds of Covenant or rent charges or in other relevant documentation and may also from time to time fix demand and collect in advance contributions from the Residents for the purpose of paying any additional costs of maintenance and management and the cost of any improvements in the Common Amenities and other facilities for the Property (including the costs of running the company) and the creation of a reserve or sinking fund for the future expenditure of the company

(2) From shareholders

With respect to any costs for refurbishments extensions alterations whether by construction or otherwise of the Property which costs are not recoverable from the Residents, but which the directors may from time to time decide should be expended and/or incurred for promoting the Principal Activity the directors may from time to time fix demand and collect in advance contributions from the holders of ordinary shares for the purpose of paying or reimbursing the company the cost of such refurbishments extensions alterations construction or otherwise

(3) Obligation to pay

Every member shall pay to the company on the date and at the time and place so specified the contributions demanded of him and, in the event of any member failing to pay contributions demanded by the directors on the due date, the company shall be entitled to demand from such member, and such member shall pay to the company, interest on the amount outstanding at such rate as the directors shall in their reasonable discretion decide from the due date for payment to the date of payment by the member

(4) Disputes

In the event of any dispute as to the amount of any member's contribution the same shall be determined by the directors whose decision shall (in the absence of manifest error) be final and binding on the parties

(5) Information as to expenditure

Without prejudice to articles 47 and 48 below the directors shall keep the holders of ordinary shares informed from time to time as to material expenditure which has or may be incurred by the company in connection with its obligation to maintain the

Property and invite such shareholders to comment thereon and have regard to their statutory obligations concerning service charges

47. DIRECTORS' FURTHER POWERS

- (1) Without prejudice to the provisions of the next following article below the directors' powers in connection with:—
- (a) renewals improvements replacements and additions to the Estate; or
 - (b) committing the company to any contract or arrangement whatsoever whether or not in relation to the Principal Activity as defined in the company's Memorandum and Articles of Association where the expenditure or commitment or other liability exceeds or may exceed £30,000 can only be exercised in the following manner:—
 - (i) the directors shall be obliged to obtain independent professional written advice upon the matters which the directors propose to implement. The professional shall be a person who has knowledge and experience in the relevant subject matter;
 - (ii) in the event that any works in the nature of those referred to in the preceding article are required, the directors shall obtain at least three written estimates from different persons for the cost of such work;
 - (iii) before placing a contract or commitment in respect of such works or matters the directors shall be obliged to inform the members of their decision at least 21 days (except in case of an emergency) before placing such contract or otherwise. If during this period the directors receive objections to the proposals from not less than 25% of the members the directors shall be obliged to call within 14 days a meeting of the company to discuss and vote upon the proposed expenditure;
 - (iv) in the event that any works in the nature of those referred to in 47(1)(a) above are required the directors shall appoint a suitably qualified independent person to administer the contract for the works
- (2) In the event that any works or matters as referred to in article 47(1) shall be for a figure exceeding £30,000 the directors shall be obliged, save in cases of emergency, to obtain the majority approval of the members of the company at a General Meeting or by obtaining written approval of a resolution by the majority of the members before the contract is placed or other commitment entered into
- (3) The amounts referred to in this article 47 shall increase every three years from the date of adoption of this paragraph by the amount of any increase in the General Index of Retail Prices (All Items) for the relevant period
- (4) Nothing in this article shall prohibit the delegation by the directors of the implementation of any of the foregoing powers to their managing agents

48. WHEN SPECIAL RESOLUTION REQUIRED

- (1) The directors' powers to do any or all of the following shall be subject to obtaining the approval of the members of the company by way of a special resolution:—
- (a) The sale lease transfer or other disposition of the whole or any significant part of the undertaking of the company
 - (b) Any action to wind up or dissolve the company
 - (c) Any variation in the authorised or issued shares or the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the company
 - (d) Any material change in the nature of the business of the company the making by the company of any contract outside the ordinary course of its business or otherwise than at arms-length
 - (e) The declaration or distribution of any dividend or other payment out of the profits of the company
 - (f) Incurring any capital expenditure of the company in excess of £30,000 sum save where such expenditure is in respect of any matter covered by article 46
 - (g) The creation of any mortgage charge or other encumbrance to secure an amount or allowance aggregating or exceeding £30,000 on any asset of the company or the giving by the company of any other security for such amount
 - (h) The borrowing of any monies exceeding £30,000 or which in aggregate with existing borrowings exceeds this amount
- (2) Article 47(3) shall apply for the indexation of the sum of £30,000 mentioned in paragraph (1) of this article as it does for the sum of £30,000 mentioned in article 47

49. MINUTES

The directors shall cause minutes to be made in books provided for the purpose:—

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose

APPOINTMENT AND RETIREMENT OF DIRECTORS

50. RETIREMENT BY ROTATION

- (1) *At the first annual general meeting all the directors shall retire from office and at every subsequent annual general meeting one third of the directors who are subject to rotation, or if their number is not a multiple of three, the number nearest to one third, shall retire from office; but if there is only one director who is subject to rotation, he shall retire*
- (2) Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot

51. FILLING VACANCY ARISING ON ROTATION

If the company, at the meeting at which a director retires by rotation under the preceding article, does not fill the vacancy the retiring director shall, *if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost*

52. ELIGIBILITY FOR ELECTION

No person shall be appointed or re-appointed a director at any general meeting unless:—

- (a) he is recommended by the directors; or
- (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or re-appointed

53. NOTICE OF INTENTION TO PROPOSE APPOINTMENT

(1) Period of notice

Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director

(2) Notice to give particulars

The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the company's register of directors

54. APPOINTMENT BY ORDINARY RESOLUTION

The members may by ordinary resolution at any time and from time to time appoint a director and remove from office any director so appointed and appoint the same or any other person in his place

55. APPOINTMENT BY DIRECTORS

The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not re-appointed at such annual general meeting he shall vacate office at the conclusion thereof

56. REAPPOINTMENT

Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting

DISQUALIFICATION AND REMOVAL OF DIRECTORS

57. EVENTS CAUSING DISQUALIFICATION

The office of director shall be vacated if the director:—

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited from being a director by reason of any order made under Section 295-299 and Schedule 12 of the Act;
- (c) becomes of unsound mind; or
- (d) resigns his office by notice in writing to the company; or
- (e) transfers his shares in the company or otherwise ceases to be, or to be related by blood adoption or marriage to, a shareholder in the company; or
- (f) is removed from office in accordance with the provisions of these articles or by ordinary resolution of the company

PROCEEDINGS OF DIRECTORS

58. MEETINGS AND VOTING

- (1) 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. It shall not be necessary to give notice of a meeting

to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote

- (2) Any director or member of a committee of directors may participate in a meeting of the directors or such committee by means of a conference telephone or similar communications equipment whereby all persons meeting in this manner shall be deemed to constitute presence at such meeting

59. QUORUM

The quorum for the transaction of the business of the directors shall be four

60. VACANCY

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 filling vacancies or of calling a general meeting

61. CHAIRMAN

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

62. DEFECT IN APPOINTMENT OF DIRECTOR

All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director

63. RESOLUTION SIGNED BY DIRECTORS

A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors or of a committee of the directors, shall be as valid and effectual as if it had been passed at a meeting of the 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

64. CONFLICT OF INTEREST

Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:—

- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes;
- (e) the resolution relates in any way to the purchase and/or maintenance of any insurance policy under which he may benefit

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

65. DISQUALIFIED DIRECTOR EXCLUDED FROM QUORUM

A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote

66. POWER TO RELAX PROHIBITION ON VOTING

The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors

67. POWER TO VOTE ON CERTAIN MATTERS

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

68. CHAIRMAN TO DETERMINE QUESTION OF RIGHT TO VOTE

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

SECRETARY

69. APPOINTMENT

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

THE SEAL

70. PROVISIONS AS TO THE SEAL

The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director

ACCOUNTS

71. INSPECTION OF ACCOUNTS

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

MISCELLANEOUS

72. INDEMNITY FOR DIRECTORS

Every director or other officer of the company shall 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 Section 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. But this article shall only have effect to the extent that it is not avoided by Section 310 of the Act

73. NOTICES TO BE IN WRITING

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

74. HOW NOTICE TO BE GIVEN

The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member 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 members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company

75. MEMBER AT MEETING DEEMED TO HAVE NOTICE

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

76. MEMBER BOUND BY NOTICE TO PREDECESSOR

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

77. PROOF OF POSTING

Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted

78. DECEASED AND BANKRUPT MEMBERS

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, within the United Kingdom 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

DIVIDENDS ETC

79. NOT TO BE PAYABLE WITHOUT SPECIAL RESOLUTION

Unless authorised by the members by way of a special resolution the share capital and income and property of the company wheresoever derived shall be applied solely towards the promotion of the objects of the company as set forth in the company's memorandum of association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to the members of the company

WINDING UP

30. POWER TO DISTRIBUTE ASSETS IN SPECIE

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 and with the like sanction, 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

SCHEDULE

Table A

Regulations for Management of a Company Limited by Shares

Interpretation

1. In these regulations —
'the Act' means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
'the articles' means the articles of the company.
'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.
'the United Kingdom' means Great Britain and Northern Ireland.
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.

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.

Share Certificates

6. 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.
7. 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

8. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) 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.
9. 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.
10. 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.
11. 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

12. 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.

13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

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

15. 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.

16. 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.

17. Subject to the terms of the allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payments of calls on their shares.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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

23. 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.

24. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless —

(a) 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 and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of shares; and
(c) it is in favour of not more than four transferees.

25. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.

26. 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.

27. 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.

28. 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.

Transmission of Shares

29. 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 person 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.

30. 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.

31. 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

32. The company may by ordinary resolution —

(a) increase its share capital by new shares of such amount as the resolution prescribes;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) 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

(d) 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.

33. 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.

34. 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

35. Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, 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

36. All general meetings other than annual general meetings shall be called extraordinary general meetings.

37. 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.

Notice of General Meetings

38. 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:

(a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

(b) 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.

39. 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 the meeting.

Proceedings at General Meetings

40. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

41. 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.

42. 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.

43. 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.

44. 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.

45. 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.

46. 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 —

(a) by the chairman; or

(b) by at least two members having the right to vote at the meeting; or

(c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; and a demand by a person as proxy for a member shall be the same as a demand by the member.

47. 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.

48. 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.

49. 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.

50. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

51. 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.

52. 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.

53. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

Votes of Members

54. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly 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.

55. 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.

56. 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.

57. 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 shares held by him unless all moneys presently payable by him in respect of that share have been paid.

58. 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.

59. 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.

60. 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, _____
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____
61. 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 _____
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____

62. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari-ally or in some other way approved by the directors may —

(a) 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

(b) 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

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

63. 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.

Number of Directors

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

Alternate Directors

65. 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.

66. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

67. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

68. 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.

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

Powers of Directors

70. 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.

71. 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.

Delegation of Directors' Powers

72. 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. 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.

Appointment and Retirement of Directors

73. At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.

74. Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

75. If the company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.

76. No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless —

(a) he is recommended by the directors; or
(b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.

77. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the company's register of directors.

78. Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.

79. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire

by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

80. Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

Disqualification and Removal of Directors

81. The office of a director shall be vacated if —

(a) 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

(b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(c) he is, or may be, suffering from mental disorder and either —

(i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

(ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

(d) he resigns his office by notice to the company; or

(e) 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

82. 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

83. 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' Appointments and Interests

84. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.

85. Subject to the provision 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 —

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;

(b) 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

(c) 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.

86. For the purposes of regulation 85 —

(a) 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

(b) 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.

Directors' Gratuities and Pensions

87. 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 executive 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.

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. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

89. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

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 a quorum, the continuing directors or director may act only for the purpose of filling vacancies or 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.

94. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs—

(a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;

(b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

(c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;

(d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

95. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

96. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

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.

Secretary

99. 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

100. The directors shall cause minutes to be made in books kept for the purpose—

(a) of all appointments of officers made by the directors; and
(b) 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.

The Seal

101. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

Dividends

102. 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.

103. 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.

104. 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.

105. 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.

106. 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.

107. 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.

108. 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

109. 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

110. The directors may with the authority of an ordinary resolution of the company—

(a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve;

(b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

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

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

Notices

111. 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.

112. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member 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 members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

113. 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.

114. 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.

115. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

116. 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, within the United Kingdom 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

117. 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

118. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against 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 in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.