

No. 2698931

The Companies Acts 1985 and 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

BAYFORDBURY HOLDINGS LIMITED

(Amended by Written Resolution of the Company passed on 14 January 2004)

1. *The name of the Company is "BAYFORDBURY HOLDINGS LIMITED".
2. The registered office of the Company will be situated in England.
3. The objects for which the Company is established are:-
 - 3.1 to carry on the business of a holding company and to acquire by purchase, exchange, subscription or otherwise, and to hold the whole or any part of the shares, stock, debenture stock, loan stock, bonds, obligations, securities, property, rights, privileges or other interests of or in any company, corporation, firm or undertaking carrying on business of any kind whatsoever in any part of the world and to enter into, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings and businesses of every description and to carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account and to manage, conduct, supervise, control and co-ordinate the activities, businesses, operations or affairs of any company, corporation or firm in which the Company is for the time being interested and to co-ordinate the policy and administration of any companies of which the Company is a member or which are in any manner controlled by or connected or associated with the Company;
 - 3.2 to carry on business as a general commercial company;
 - 3.3 to purchase sell hold take on lease or in exchange or otherwise acquire and hold any land or buildings wherever situate or rights or interests therein or connected therewith and to manage farm or let the same or any part thereof for

* The Company was incorporated on 16th March 1992 as RIALTO HOLDINGS LIMITED and re-registered as RIALTO HOLDINGS plc on 1 July 1992.
The Company changed its name on 12th July 1994 from RIALTO HOLDINGS plc to BAYFORDBURY HOLDINGS plc.
The Company re-registered as a private limited company with the name BAYFORDBURY HOLDINGS LIMITED on 14 January 2004.



any period and at such rent and on such conditions as the Company shall think fit or to develop the same or any part thereof as a building estate; and to construct and erect houses flats factories warehouses and buildings of any kind thereon; to lay out roads and pleasure gardens and recreation grounds; to pull down, alter or improve buildings; to plant drain or otherwise improve the land or any part thereof; to finance and assist persons purchasing or taking leases from or otherwise having dealings with the Company;

- 3.4 to carry on any other trade or business, whether subsidiary or not, which may appear to the Company likely to be carried on conveniently or advantageously in conjunction with any of the above trades or businesses or which is likely to be profitable to the Company or is calculated directly or indirectly to enhance the value of any of the property, rights or assets of the Company;
- 3.5 to construct, erect, maintain, alter, repair, replace or remove any buildings, works, structures, roads, plant, machinery, tools or equipment as may seem desirable for any of the trades or businesses of the Company;
- 3.6 to buy, grow, process, prepare, manufacture, repair, alter and improve all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things of all descriptions which may conveniently be dealt with in connection with any of the objects of the Company or which are likely to be required by customers or other persons or companies having or about to have dealings with the Company;
- 3.7 to apply for or otherwise acquire any patents, patent rights, trade marks, names, copyrights, licences, privileges or processes for or in any way relating to any of the trades or businesses of the Company and to grant licences for the use of the same;
- 3.8 to purchase, take on lease or in exchange, hire or otherwise acquire, develop, hold and manage for any estate or interest any real or personal property and any rights or privileges which the Company may think necessary, suitable or convenient for the purposes of or in connection with any of its trades or businesses;
- 3.9 to purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person or company carrying on any trade or business which the Company is authorised to carry on or which can be carried on in conjunction therewith or which is capable of being conducted directly or indirectly for the benefit of the Company;
- 3.10 to pay for any property, assets or rights acquired by the Company either in cash or by the issue of fully or partly paid shares of the Company, with or without any preferred or special rights or privileges, or by the issue of debentures, bonds or other securities, with or without special rights or privileges, on such terms as the Company may determine;

- 3.11 to work, improve, manage, develop, lease, let on hire, grant licences, easements and other rights in or over, turn to account or otherwise deal with all or any part of the property, rights or assets of the Company;
- 3.12 to sell, dispose of or otherwise deal with the property, business, undertaking or assets of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company, and to take or hold mortgages, liens and charges to secure the payment of the whole or any part of the purchase price thereof;
- 3.13 to enter into partnership or amalgamation with any person or company for the purposes of carrying on any business or transaction within the objects of the Company and to enter into such arrangement for co-operation, sharing profits, losses, mutual assistance, or other working arrangements as may seem desirable;
- 3.14 to enter into any arrangements with any Government or authority, supreme, municipal, local or otherwise, that may seem conducive to the objects of the Company or any of them and to apply for, promote and obtain any statute, order, regulation, contract, decree, right, privilege, concession, licence or authorisation from any such Government or authority or from any department thereof for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient and to carry out, exercise and comply with the same;
- 3.15 to borrow or raise money in such amounts and manner and upon such terms as the Company shall think fit, and, when thought desirable, to execute and issue security of such kind, subject to such conditions, for such amount, and payable in such place and manner and to such person or company as the Company shall think fit;
- 3.16 to mortgage and charge the undertaking and all or any of the real or personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue as primary or collateral or other security at par or at a premium or a discount and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures, debenture stock, mortgages, charges or other securities either permanent or redeemable and collaterally or further to secure any securities of the Company by a trust deed or other assurance;
- 3.17 to give credit to or become surety or guarantor for any person or company, and to give all descriptions of guarantees and indemnities and, either with or without the Company receiving any consideration, to guarantee or otherwise secure (with or without a mortgage or charge on all or any part of the undertaking, property and assets, present and future, and the uncalled capital of the Company) the performance of the obligations and the payment of the capital or principal of, and dividends or interest on, any stocks, shares, debentures, debenture stock, notes, bonds or other securities of any person, authority (whether supreme, local, municipal or otherwise) or company,

including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company (as defined by section 736 of the Companies Act 1985 as amended) or a subsidiary (as defined by the said section) of the Company's holding company or of the Company or any other company associated with the Company in business;

- 3.18 to advance, deposit or lend money, securities and property to or with such persons or companies on such terms and with or without security upon such property, rights and assets as may seem expedient, to undertake the provision of hire purchase and credit sale finance and to act as factors;
- 3.19 to invest and deal with the monies of the Company not immediately required for the purpose of its business in or upon such investments or securities and in such manner and upon such terms as may from time to time be determined;
- 3.20 to make, draw, accept, endorse, discount, and negotiate, issue or execute bills of exchange, promissory notes, bills of lading, warrants and other negotiable, transferable or mercantile instruments;
- 3.21 to pay all or any of the costs and expenses of, and preliminary and incidental to, the formation, promotion and incorporation of the Company, whether incurred before or after its registration;
- 3.22 to pay commissions to and remunerate any person or company for services rendered in placing or assisting to place any of the shares in the capital of the Company, or any debentures or other security of the Company, or in or about the formation or promotion of the Company or the conduct of its business whether by cash payment or by the allotment of shares or securities of the Company, credited as paid up in full or in part or otherwise, as may be deemed expedient;
- 3.23 to make donations to such persons or companies and, in such cases, either by cash or by other assets, as the Company may think directly or indirectly conducive to any of its objects or otherwise expedient;
- 3.24 to adopt such means for making known any services provided by the Company and keeping the same before the public as may be deemed expedient and in particular to employ advertising and public relations techniques of all kinds;
- 3.25 to vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company;
- 3.26 to distribute among the members in specie any property of the Company, or any proceeds of sale, disposal or realisation of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- 3.27 to establish or promote any company for the purpose of acquiring all or any of the assets and liabilities of the Company or for any other purpose which may

seem directly or indirectly calculated to benefit the Company or to further any of the objects of the Company;

- 3.28 to appoint any person or company to be the agent or agents of the Company and to act as agents, secretaries, managers, contractors or in any similar capacity;
- 3.29 to insure the life of any person who may, in the opinion of the Company, be of value to the Company as having or holding for the Company interest, goodwill or influence or other assets and to pay the premiums on such insurance;
- 3.30 to support or subscribe to any charitable or public object and any institution, society or club which may be for the benefit of the Company or its officers or employees, or the officers or employees of its predecessors in business or any subsidiary or associated company, or which may be connected with any town or other place where the Company carries on business, and to give pensions, gratuities or charitable aid to any officer, former officer, employee or former employee of the Company or its predecessor in business or any subsidiary or associated company, or to the wives, children or other relatives or dependants of such persons, and to make payments towards insurance, and to form and contribute to provident and benefit funds for the benefit of any officers or employees of the Company, its predecessors in business or any subsidiary, or associated company, and to subsidise or assist any association of employers or employees or any trade association, and to promote, enter into and carry into effect any scheme for the sharing of profits with employees or the grant of options and other benefits to employees;
- 3.31 to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is a subsidiary of the Company, or in which the Company has interests, whether direct or indirect, or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company, or who are or were at any time trustees of any pensions fund, retirement benefit scheme or any other trust in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund, and to such extent as may be permitted by law otherwise to indemnify or to exempt any such persons against or from any such liability; for the purposes of this clause "subsidiary undertaking" shall have the same meaning as in the Companies Act 1985 (as amended from time to time);
- 3.32 to procure the Company to be registered or recognised in any country or place outside the United Kingdom;

3.33 to do all or any of the above things in any part of the world, and either as principals, agents, contractors, trustees or otherwise, or by or through trustees, agents, sub-contractors or otherwise, and either alone or in conjunction with others;

3.34 to do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

It is declared that the foregoing sub-clauses shall be construed independently of each other and none of the objects therein mentioned shall be deemed to be merely subsidiary to the objects contained in any other sub-clause.

4. The liability of the members is limited.

5. The share capital of the Company is £1,000 divided into 1,000 Ordinary Shares of £1 each with power to increase or to divide the shares in the capital for the time being into different classes having such rights, privileges and advantages as to voting and otherwise, as the Articles of Association may from time to time prescribe.

By Ordinary Resolution passed on 22nd April 1992 the capital was increased to £5,000,000 by the creation of a further 4,759,000 Ordinary Shares of £1 each and the creation of 240,000 12½% cumulative participating convertible preference shares of £1 each.

By Ordinary Resolution passed on 27th May 1994 the capital was increased to £5,025,000 by the creation of a further 25,000 Ordinary Shares of £1 each.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAME AND ADDRESS OF SUBSCRIBER

Number of Shares taken by
Subscriber

JAMES ARTHUR BARHAM
"Woodlands"
Northay
Hertfordshire
EN6 4BJ

One

CHRISTINE MARY BARHAM
"Woodlands"
Northay
Hertfordshire
EN6 4BJ

One

DATED this 26th day of February 1992
WITNESS to the above signatures:-

SUSANNE CADLE
16 Spring View Road
Ware
Herts
SG12 9LB

Secretary

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BAYFORDBURY HOLDINGS LIMITED

(Adopted pursuant to a written resolution passed on 14 January 2004)

1. PRELIMINARY

- 1.1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 (which Table is hereinafter referred to as "Table A") shall, except as hereinafter provided and so far as the same are not inconsistent with the provisions of these articles, apply to the Company and shall together with these articles constitute the regulations of the Company.
- 1.2 Regulations 3, 23, 35 to 55, 57, 59, 62, 64 to 69, 73 to 81, 85 to 91, 93 to 98, 112 and 115 of Table A shall not apply to the Company.
- 1.3 In these articles "the Company" shall mean Bayfordbury Holdings Limited.
- 1.4 In these articles "the Act" means the Companies Act 1985 as amended by the Companies Act 1989 or any statutory re-enactment or modification thereof for the time being in force.

2. SHARE CAPITAL

- 2.1 The share capital of the Company as at the date of the adoption of these articles is £5,025,000 divided into 240,000 12½ per cent cumulative participating convertible preference shares of £1 each ("the Convertible Preference Shares") and 4,785,000 ordinary shares of £1 each. The special rights and provisions applicable to the Convertible Preference Shares shall be as set out in article 4 below.
- 2.2 The share capital of the Company shall not be increased except with the sanction of a special resolution.
- 2.3 Subject to the provisions of the Act the Company may:-

- 2.3.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as the directors may at the time of issue determine;
- 2.3.2 purchase its own shares (including any redeemable shares).
- 2.4 Subject to the provisions of the Act and subject as otherwise provided in these articles and to any direction or authority contained in the resolution of the Company creating or authorising the same the directors may allot, grant options, rights of subscription or conversion over or otherwise dispose of unissued shares to such persons (whether existing shareholders or not), at such times and on such terms and conditions as they think proper.
- 2.5 Whenever the capital of the Company is divided into different classes of share:-
- 2.5.1 the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holder or holders of not less than 75 per cent in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class, but not otherwise;
- 2.5.2 to every such separate meeting all provisions applicable to general meetings of the Company or to the proceedings thereat shall mutadis mutandis apply except that:-
- 2.5.2.1 the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present the member or members present in person or by proxy shall be a quorum); and
- 2.5.2.2 any holder of shares of the class present in person or by proxy may demand a poll and each holder shall, on a poll, have one vote in respect of every share of the class held by him.
- 2.6 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

3. **ISSUE OF SHARES**

- 3.1 For the purposes of this article where any person is unconditionally entitled to be registered as the holder of the shares he and not the person actually registered as the holder thereof shall be deemed to be a member of the Company in relation to that share and the holder thereof and the word "member" in this article shall be construed accordingly.
- 3.2 Unless otherwise determined from time to time by the consent in writing of all the members for the time being of the Company all unissued shares (whether in the original or any increased share capital) shall, before allotment or issue to any person on any terms, be offered on no less favourable terms first to the members in proportion (as nearly as practicable) to the nominal value of the existing shares of the class held by each of them respectively in the following manner:

- 3.2.1 The offer (which shall not be withdrawn whilst it is open for acceptance) shall be in writing and shall give details of the shares of the class which the Company desires to issue, the proposed terms of the issue thereof and the number of shares to which each member of that class is entitled and shall invite each member to apply in writing within such period ("the Initial Period") as shall be specified (being a period expiring not less than twenty one days from the date of despatch of the offer) for such number of the shares to which he is entitled as he wishes to take.
- 3.2.2 The shares so offered (or so many of them as the members shall have applied for) shall be allotted on the same terms to and amongst the members who shall have applied for them on the earlier of:
- 3.2.2.1 the date of expiration of the Initial Period; and
- 3.2.2.2 the date the Company receives notice of the acceptance or refusal of every offer so made.
- 3.2.3 Any shares not applied for in accordance with the foregoing provisions shall then be offered to those members of that class who shall have applied for their full entitlement of shares and such additional offer shall invite each such member to apply in writing within such further period ("the Further Period") as shall be specified (being a period expiring not less than seven days from the date of despatch of the additional offer) for such maximum number of the shares remaining to be issued as he wishes to take.
- 3.2.4 The shares so offered (or so many of them as shall have been applied for) shall be allotted on the same terms to and amongst the members who have applied for them on the earlier of:
- 3.2.4.1 the date of expiration of the Further Period; or
- 3.2.4.2 the date the Company receives notice of the acceptance or refusal of every further offer so made.
- 3.2.5 If more than one member shall have so applied, the shares shall be divided between them in proportion (so far as possible) to the nominal value of the existing shares of that class held by each of them respectively, but no member shall be obliged to take more than the maximum number of shares applied for by him.
- 3.3 The directors may dispose of any unissued shares not applied for by the members or which by reason of any other difficulty in apportioning the same, cannot in the opinion of the directors be conveniently offered under this article at a price and on terms no more favourable than those at which the shares were initially offered to the members.
- 3.4 The lien conferred by regulation 8 of Table A shall also attach to fully paid up shares registered in the name of any person indebted or under liability to the Company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

4. **CONVERTIBLE PREFERENCE SHARES**

The special rights and provisions applicable to the convertible preference shares shall be as follows:—

4.1 Income

4.1.1 The profits available for distribution and resolved to be distributed, shall be applied in priority to any payment of dividend to the holders of any other class of shares in paying to the holders of the Convertible Preference Shares a fixed cumulative preferential dividend ("Preferential Dividend") at the rate of 12½ per cent per annum (exclusive of any associated tax credit) on the nominal capital for the time being paid up or credited as paid up thereon, such dividend to be paid half-yearly on 1st June and 1st December ("Fixed Dividend Dates") (or if any such date is a Saturday, Sunday or public holiday in England, on the first other day next following such date) in each year in respect of the half-year ending on those respective dates, save that the first such payment in respect of each Convertible Preference Share shall be made on a pro rata basis on 1st June 1992 in respect of the period from the date of the first allotment of such Convertible Preference Shares to 1st June 1992.

4.1.2 Subject to the payment of the Preferential Dividend and all arrears or accruals (if any) of the Preferential Dividend, the balance of the profits available for distribution and resolved to be distributed by way of dividend:

4.1.2.1 FIRST shall be applied in paying a dividend of up to £304,000 per annum to the holders of the ordinary shares in the capital of the Company in proportion to the nominal capital for the time being paid up or credited as paid up thereon; and

4.1.2.2 SECOND shall be applied after the payment of the dividend on the ordinary shares as provided in 4.1.2.1 above as to one tenth to and amongst the holders of the Convertible Preference Shares and as to nine tenths to and amongst the holders of the ordinary shares in proportion to the nominal capital for the time being paid up or credited as paid up thereon respectively.

4.1.3 Save as aforesaid the holders of Convertible Preference Shares shall not be entitled to any further right to participate in the profits of the Company.

4.2 Capital

Subject to paragraph 4.5.1.4 below, on a distribution of assets on a winding-up or on a return of capital the holders of Convertible Preference Shares shall be entitled

4.2.1 FIRST in priority to any payment to the holders of any other class of shares, to the repayment of a sum equal to the nominal capital paid-up or credited as paid up on the Convertible Preference Shares held by them respectively and all arrears or accruals (if any) of the Preferential Dividend whether such dividend has been earned or declared or not, calculated up to the date of commencement of the winding-up or return of capital; and

4.2.2 SECOND thereafter and after repayment of a sum equal to the nominal sum paid up or credited as paid up on the ordinary shares the right to participate in the surplus assets of the Company pari passu with the holders of the ordinary shares.

4.3 Voting and General Meetings

- 4.3.1 The holders of Convertible Preference Shares shall, by virtue of and in respect of their holdings of Convertible Preference Shares, have the right to receive notice of a General Meeting and to attend, speak and vote at a General Meeting only if and when, at the date of such meeting, the Preferential Dividend on such shares is in arrears, six months or more having elapsed after any Fixed Dividend Date, or if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of Convertible Preference Shares or altering the regulations of the Company in any way directly or indirectly affecting the rights of the holders of Convertible Preference Shares and not similarly affecting the rights of holders of the other shares for the time being or for the winding-up of the Company and then only on such resolution. Save as aforesaid, whether or not the conversion rights set out in paragraph 4.4 below shall have expired, the Convertible Preference Shares shall not confer on the holders thereof the right to attend, speak or vote at any General Meeting but they shall entitle the holders to receive copies of notices of General Meetings for information only.
- 4.3.2 Whenever the holders of Convertible Preference Shares are entitled to vote at a General Meeting upon any resolution proposed at such a General Meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each fully—paid Convertible Preference Share registered in the name of such holder.
- 4.4 Conversion
- 4.4.1.1 Subject as hereinafter provided, each holder of Convertible Preference Shares shall be entitled at the times and in the manner set out below to convert all but not some of his Convertible Preference Shares into fully-paid ordinary shares on the basis of five ordinary shares of £1 each for every £1 in nominal amount of Convertible Preference Shares so converted (such basis, as adjusted from time to time as provided below, being herein called “the Conversion Rate”).
- 4.4.1.2 Four out of each five ordinary shares the Convertible Preference Shares will convert into on conversion will be credited as fully paid up by the Company by means of the sum of £960,000 from the distributable reserves of the Company (to the extent such a sum stands to the credit of such reserves and there are such distributable reserves) being capitalised and set free for distribution amongst the holders of the Convertible Preference Shares on the basis of £4 for each Convertible Preference Share held and applied in payment up in full at par of 960,000 new unissued ordinary shares of £1 each.
- 4.4.2 For the purposes of the following provisions of this resolution a “Conversion Date” shall be any date (not being a Saturday, Sunday or public holiday in England) between 1st January 1994 and 31st December 1994.
- 4.4.3 The right to convert shall be exercisable on any Conversion Date by completing the Notice of Conversion endorsed on the share certificate relating to all the holder’s Convertible Preference Shares and/or a notice in such other form as may from time to time be prescribed by the Directors (a “Conversion Notice”) and delivering the same to the Company Secretary for the time being of the Company at any time during the period of 14 days ending on the Conversion Date (such period being hereinafter called a “Conversion Period”) together with such other evidence (if any) as the

Directors may reasonably require to prove the title of the person exercising such right to convert. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company. The Company shall after 1st September 1993 and prior to 1st December 1993 give to the holders of Convertible Preference Shares notice in writing reminding them of their rights to convert and stating the applicable Conversion Rate. Such notice shall give the name and address of the Company Secretary and shall also, if the Directors have prescribed some form of Conversion Notice different from or additional to that endorsed on the certificates relating to the Convertible Preference Shares, be accompanied by a copy of the Conversion Notice so prescribed.

- 4.4.4 Conversion of the Convertible Preference Shares as are due to be converted as aforesaid on any Conversion Date (the "Relevant Shares") shall be effected in accordance with the following provisions set out below or in such other manner as may be authorised by law.
- 4.4.5 The Preferential Dividend on any Convertible Preference Shares converted (whatever the manner of conversion) shall cease to accrue with effect from the Fixed Dividend Date last preceding the relevant Conversion Date. The ordinary shares arising on such conversion shall rank *pari passu* in all respects with the ordinary shares then in issue on the relevant Conversion Date and shall entitle the holder to all dividends and (unless an adjustment shall have been made in respect thereof under sub-paragraph 4.4.8) other distributions payable on the ordinary shares in respect of the accounting reference period of the Company in which the Conversion Date falls, but not any dividends or distributions in respect of any earlier accounting reference period.
- 4.4.6 Allotments of ordinary shares (if any) arising from conversion shall be effected within 14 days of the Conversion Date. Within 28 days after the Conversion Date the Company shall forward to each holder of the Relevant Shares, at his own risk, free of charge, a definitive certificate for the appropriate amount of fully-paid ordinary shares. In the meantime transfers shall be certified against the Register.
- 4.4.7 If immediately after any Conversion Date 75 per cent or more of the Convertible Preference Shares shall have been converted the Company shall be entitled (subject to the Act) by not more than four weeks nor less than two weeks notice in writing given not later than one month after such Conversion Date (or any subsequent Conversion Date) to require those holders of Convertible Preference Shares who have not experienced their right to convert, on the expiry of such notice but with effect from the Conversion Date after which the said notice in writing was given, to convert the whole of their holdings of such shares into ordinary shares at the Conversion Rate then applicable. Upon the expiry of the said notice those holders of Convertible Preference Shares shall be treated as having exercised the right to convert in respect thereof and the provisions relating to conversion shall apply *mutatis mutandis* as if the date of the expiry of such notice was the Conversion Date and such Convertible Preference Shares were Relevant Shares at the Conversion Date after which the said notice in writing was given.
- 4.4.8 If, whilst any Convertible Preference Shares remain capable of being converted into ordinary shares, the Company shall make any issue (subject as provided below) of ordinary shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to holders of ordinary shares, then the number of ordinary shares to be issued on any subsequent conversion of Convertible Preference Shares shall be increased *pro rata* and, if any doubt shall arise as to the nominal amount of ordinary shares to be issued on conversion, the certificate

of the auditors for the time being of the Company ("the Auditors") shall be conclusive and binding on all concerned.

- 4.4.9 If, whilst any Convertible Preference Shares remain capable of being converted into ordinary shares, the ordinary shares shall be consolidated or sub-divided, then the number of ordinary shares to be issued on any subsequent conversion of the Convertible Preference Shares shall be reduced or increased accordingly and, if any doubt shall arise as to the number thereof, the certificate of the Auditors shall be conclusive and binding on all concerned.
- 4.4.10 If, whilst any Convertible Preference Shares remain capable of being converted into ordinary shares, the Company shall make any capital distribution to the ordinary shareholders, then the number of ordinary shares to be issued on any subsequent conversion of the Convertible Preference Shares shall be increased by an amount determined to be appropriate by the Auditors whose certificate shall be conclusive and binding on all concerned. For the purposes of this paragraph 4.4.10 "Capital Distribution" means
- 4.4.10.1 any dividend or other distribution of capital profits (whether realised or not) or capital reserves, or profits or reserves arising after the date of the passing of the resolution creating the Convertible Preference Shares from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary (except in any such case by means of a capitalisation issue not contravening sub-paragraph 4.5.1.9 below) or
- 4.4.10.2 any repayment of capital or purchase of the Company's own shares (other than a redemption or purchase of redeemable shares in accordance with the terms of issue thereof);
- for the purposes of this paragraph 4.4.10, insofar as the relevant audited accounts do not distinguish between capital and revenue profits or reserves the Company shall be entitled to rely upon a written estimate by the Auditors as to the extent to which any part of any profit or reserve should be regarded as of capital nature.
- 4.5 Other Provisions
- 4.5.1 So long as any Convertible Preference Shares remain capable of being converted into ordinary shares, then, save with such consent or sanction on the part of the holders of the convertible preference shares as is required for a variation of the rights attached to such shares:
- 4.5.1.1 no shares shall be allotted pursuant to a capitalisation of profits or reserves:
- (1) except ordinary shares credited as fully-paid to the holders of ordinary shares and upon any such allotment to the holders of ordinary shares the Conversion Rate shall be adjusted as appropriate under paragraph 4.4.8 above provided that no such allotment shall be made, if, as a result thereof, the aggregate nominal amount of the ordinary shares into which any Convertible Preference Shares may be converted would exceed the aggregate nominal amount of such Convertible Preference Shares;
 - (2) the ordinary shares proposed to be allotted to the holders of the Convertible Preference Shares pursuant to article 4.4.1.2;

- 4.5.1.2 if any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph 4.5.1.3 apply) is made to the holders of the ordinary share capital of the Company then the Company shall make or, so far as it is able, procure that there is made an offer at the same time of Convertible Preference Shares to each holder of Convertible Preference Shares at a price on a basis and otherwise on such terms as determined in writing by the Auditors so as to maintain his conversion rights on the same basis as existed before such offer or invitation by way of rights and any determination by the Auditors shall be conclusive and binding on all concerned;
- 4.5.1.3 if prior to the last Conversion Date an offer is made to the holders of ordinary shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a General Meeting has or will become vested in the offeror and/or such companies or persons aforesaid, the Company shall give written notice to all holders of Convertible Preference Shares of such vesting within 14 days of its becoming so aware and each such holder shall be entitled within the period of six weeks from the date of such notice to convert all but not some of his Convertible Preference Shares into fully-paid ordinary shares on the basis set out in paragraph 4.4 above except that the Conversion Period shall be the said period of six weeks and the Conversion Date shall be the last day of such Conversion Period. The Preferential Dividend shall accrue up to the fixed dividend payment date last preceding such Conversion Date but shall cease to accrue thereafter and the ordinary shares arising on conversion shall not rank for any dividend or distribution paid or made before the Conversion Date. Subject as aforesaid, the provisions as to conversion in paragraph 4.4 above shall apply mutatis mutandis to such conversion;
- 4.5.1.4 if prior to the last Conversion Date the Company is wound up the Company shall forthwith give notice thereof in writing to all holders of Convertible Preference Shares and each holder of Convertible Preference Shares in respect of all but not some of his Convertible Preference Shares shall be entitled within six weeks after the date of the resolution for winding-up the Company or (as the case may be) after the date of the Order of the Court for such winding-up (either of such dates being referred to in this sub-paragraph as "the Operative Date") by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised immediately before the Operative Date on the basis of conversion as provided above and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of all of his Convertible Preference Shares treated as if converted a sum equal to the amount to which he would have become entitled in such winding-up if he had been the holder of the ordinary shares to which he would have become entitled by virtue of such conversion, fractions being disregarded for this purpose, together with any arrears, deficiency or accrual of the preferential dividend on such Convertible Preference Shares down to the Fixed Dividend Date last preceding the Conversion Date which immediately preceded such winding-up. At the end of the said period of six weeks, any outstanding Convertible Preference Shares shall cease to be convertible or capable of becoming convertible;
- 4.5.1.5 no equity share capital (as defined by section 744 of the Companies Act 1985) shall be in issue which is not in all respects uniform with the ordinary shares in issue on the date of the passing of the resolution to create the new Convertible Preference Shares save as to the date from which such capital shall rank for dividend or equity share

capital issued to staff and/or employees (including Directors of the Company and/or its subsidiaries holding executive positions) of the Company or its subsidiaries in connection with or pursuant to any scheme approved by the Company in General Meeting;

- 4.5.1.6 no resolution shall be passed whereby the rights attaching to the ordinary shares shall be modified, varied or abrogated;
- 4.5.1.7 no resolution shall be passed whereby the Company shall reduce its share capital or any uncalled liability thereon or the amount for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required or whereby the purchase by the Company of any shares in its capital is sanctioned;
- 4.5.1.8 no shares in the Company shall be redeemed or purchased by the Company and it shall not convert into ordinary shares any shares (other than the Convertible Preference Shares) issued otherwise than as ordinary shares;
- 4.5.1.9 the Company shall not make any offer or invitation to the holders of ordinary shares or allot any shares in pursuance of a capitalisation issue or make any Capital Distribution (as defined in sub paragraph 4.4.10 above), in any case during a Conversion Period or by reference to a record date during a Conversion Period, or following a Conversion Period by reference to a record date prior to such Conversion Period; and
- 4.5.1.10 no further shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the preferential rights as to dividends and return of capital of the Convertible Preference Shares shall be created or issued.
- 4.5.2 If the Company shall change its accounting reference date to a date which is more than fifteen days before or after 31st July such adjustments shall be made to the income rights of the Convertible Preference Shares as the Auditors shall determine to be fair so as not to prejudice the income rights and notification of such change and adjustment shall be given to the holders of Convertible Preference Shares.
- 4.5.3 On the day next following the last Conversion Date any Convertible Preference Shares then outstanding shall automatically be redesignated as 12 1/2 per cent Cumulative Participating Preference Shares of £1 each.
- 4.5.4 The Company shall send to the holders of the Convertible Preference Shares a copy of every document sent to the holders of the ordinary shares at the same time as it is sent to the holders of the ordinary shares.

5. TRANSFER OF SHARES

- 5.1 The instrument of transfer of shares shall be in the usual form prescribed from time to time or, if none is so prescribed, then in such form as the directors may determine, 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.
- 5.2 Except where a transfer is specifically authorised by these articles no transfer of any share in the capital of the Company shall be made or registered without the consent in

writing of all members for the time being of the Company. Regulation 24 of Table A shall be extended accordingly.

- 5.3 For the purposes of this article 5 where any person is unconditionally entitled to be registered as the holder of a share he and not the registered holder of such share shall be deemed to be the member of the Company in respect of that share and the holder thereof and the word "member" in this article shall be construed accordingly.
- 5.4 Except as hereinafter provided no Convertible Preference Share in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- 5.5 Any member being an individual or his personal representatives shall be entitled for any consideration whatsoever to transfer all or any of his shares (the shares so transferred being in this article 5.5 called "the Transferred Shares") to his spouse or any of his children or remoter issue or to trustees of any trust in respect of which he is the settlor for the benefit of himself or the said members of his family or for charity but this article 5.5 shall not apply to the Transferred Shares once they have been registered in the name of such spouse or children or issue or trustees nor to any other shares thereafter becoming registered in their names.
- 5.6 Any member being a company (hereinafter in this article 5.6 called "the Transferor") shall be entitled for any consideration whatsoever to transfer all or any of its shares to any other company (hereinafter in this article 5.6 called "the Transferee") which is the wholly owned subsidiary of the Transferor or of any company of which the Transferor is a wholly owned subsidiary, but if the Transferee while it is a member shall cease to be a wholly owned subsidiary as aforesaid it shall be deemed to have given a transfer notice in respect of all the shares held by it pursuant to article 5.).
- 5.7 Any member who desires to sell or transfer Convertible Preference Shares (hereinafter called "the Vendor") shall give notice in writing (hereinafter called "the Transfer Notice") to the Company of his desire specifying:
- 5.7.1 the shares which he desires to sell or transfer;
- 5.7.2 the name of any third party to whom he proposes to sell or transfer the shares; and
- 5.7.3 the price at which he desires to sell or transfer the shares.
- 5.8 A Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein (hereinafter called "the Said Shares") in one or more lots, at the discretion of the directors, to the members holding shares of that class other than the Vendor at such price (hereinafter referred to as "the Transfer Price") as may be specified in the Transfer Notice or if no price is specified in the Transfer Notice or such price is not agreed by the other members of that class within thirty days after the date of the Transfer Notice) such price as the Auditors of the Company for the time being shall certify in writing to be their opinion of a fair selling value thereof as between a willing vendor and a willing purchaser.
- 5.9 The Transfer Notice may contain a provision that unless all the Said Shares are sold pursuant to the provisions of this article 5 none shall be sold and any such provision shall be binding on the Company.

- 5.10 Save as otherwise provided in article 5.12 a Transfer Notice shall not be withdrawn except with the consent of all the other members of the Company.
- 5.11 If the Auditors are asked to certify the Transfer Price as aforesaid the fair selling value:
- 5.11.1 shall be determined without taking any account of whether the Said Shares comprise a majority or a minority interest in the Company;
- 5.11.2 shall be calculated on the basis of the net tangible asset value of the Company attributable to the Said Shares determined by reference to the last published audited balance sheet of the Company (if any) adjusted as may be necessary to the date of the Transfer Notice and taking into account:-
- 5.11.2.1 a valuation of all freehold and leasehold properties in which the Company has an interest such valuation to have been made within the preceding three months by a valuer appointed or approved by the Auditors and
- 5.11.2.2 also taking into account all such other circumstances or provisions as the Auditors shall consider relevant or appropriate (including any tax which would be payable by the Company if such properties were to be disposed of for a consideration equal to the amount of such valuation and in respect of the costs of disposal thereof).
- 5.12 If the Auditors are asked to certify the full price as aforesaid:-
- 5.12.1 the Company shall as soon as it receives the Auditors' certificate furnish a certified copy thereof to the Vendor; and
- 5.12.2 the Vendor shall be entitled, by notice in writing given to the Company within ten days of the service upon him of the said certified copy, to cancel the Company's authority to sell the Said Shares;
- 5.12.3 the cost of obtaining the certificate shall be borne in equal shares by the Vendor and the member(s) accepting the Said Shares unless the Vendor shall give notice of cancellation as aforesaid in which case he shall bear the said cost.
- 5.13 Upon the Transfer Price being agreed or determined as aforesaid:
- 5.13.1 the Company shall forthwith give notice in writing to each member holding shares of that class (other than the Vendor) accompanied by a copy of the Transfer Notice informing him of the number of the Said Shares to which he is entitled (which shall be in proportion to the number of the shares of that class held by him) and the Transfer Price of the Said Shares and shall invite him to state in writing within twenty-one days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Said Shares to which he is entitled;
- 5.13.2 if the said member shall within the said period of twenty-one days apply for all or any of his entitlement the Company shall allocate the number applied for to him and the Company shall forthwith give notice of each such allocation (hereinafter called "an Allocation Notice") to the Vendor and each of the persons to whom such shares have been allocated and shall specify in the Allocation Notice the place and time (being not

later than seven days after the date of the Allocation Notice) at which the sale of the shares shall be completed;

- 5.13.3 if any of the Said Shares shall remain after such applicants have been satisfied in full the Company shall forthwith after completion has taken place in accordance with the preceding paragraph give a further notice in writing to each of the members holding shares of that class (other than the Vendor and those members holding shares of that class who have not applied for their full entitlement) informing them of the number of the Said Shares remaining and inviting each of them to state in writing within fourteen days from the date of the said further notice (which date shall be specified therein) whether he is willing to purchase any and if so what maximum number of the Said Shares remaining.
- 5.13.4 if the said member shall within the said further period of fourteen days apply for all or any of the Said Shares remaining the Company shall allocate such shares (or so many of them as shall be applied for as aforesaid) to and amongst the applicants holding shares of that class (and in case of competition in proportion to the number of shares of such class held by each of them) and the Company shall forthwith give notice of such further allocations (hereinafter called a Further Allocation Notice) to the Vendor and each of the persons to whom such shares have been allocated and shall specify in such Further Allocation Notice the place and time (being not later than seven days after the date of such notice) at which the sale of such shares shall be completed;
- 5.13.5 no applicant shall be obliged to take more than the maximum number of shares specified by him as aforesaid.
- 5.14 Upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the shares comprised in the Allocation Notice and (where appropriate) Further Allocation Notice to the purchasing member or members named therein at the time and place therein specified.
- 5.15 If the Vendor makes default in transferring any shares pursuant to article 5.14 the chairman for the time being of the Company, or failing him one of the directors or some other person duly nominated by a resolution of the board of directors for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor a transfer of such shares to the purchasing member or members and in such circumstances the directors:-
- 5.15.1 may receive and give a good discharge for the purchase money on behalf of the Vendor;
- 5.15.2 shall (subject to the transfer being duly stamped) enter the name of the purchasing member or members in the register of members as the holder or holders by transfer of the shares so purchased by him or them;
- 5.15.3 shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the Vendor until he shall deliver up his certificate or certificates for the Said Shares to the Company when he shall thereupon be paid the purchase money.
- 5.16 If the Vendor shall have included in the Transfer Notice a provision that unless all the shares comprised therein are sold none shall be sold then the Allocation Notice and

(where appropriate) the Further Allocation Notice shall refer to such provisions and shall be construed accordingly (including any extension of time as shall be necessary) and completion of the sales in accordance with the preceding paragraphs of this article 5 shall be conditional upon such provision being complied with in full.

- 5.17 In the event of all the Said Shares not being sold under the preceding paragraphs at this article 5 the Vendor may at any time within three calendar months after the expiration of the said further period of fourteen days transfer the shares not sold to any person or persons with the consent in writing of all the members for the time being of the Company at not less than the Transfer Price; but:-
- 5.17.1 if the Vendor stipulated in the Transfer Notice that unless all the Said Shares were sold pursuant to this article 5 none should be sold, the Vendor shall not be entitled, save with the written consent of all the other members of the Company, to sell hereunder only some of the Said Shares to such person or persons; and
- 5.17.2 any sale by the Vendor must be a bona fide sale and the directors may require to be satisfied in such manner as they may reasonably require that the shares are being sold in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not to satisfied may refuse to register the instrument at transfer.
- 5.18 In the event of all the Said Shares being allocated pursuant to article 5.13:-
- 5.18.1 the Vendor shall be entitled to be repaid all the indebtedness (if any) owing to him by the Company at the date of the Transfer Notice and to be released from any guarantees given by him in respect of the indebtedness of the Company at any of its subsidiaries;
- 5.18.2 any member who shall have notified his willingness to purchase any of the Said Shares shall, if required by the Vendor, undertake to procure that the Company is put into funds so that such indebtedness may be repaid in full to the Vendor by the Company;
- 5.18.3 until such indebtedness is repaid in full and such guarantees released the provisions of articles 5.14 and 5.15 shall not apply and if such indebtedness is not repaid in full to the Vendor within three months from the expiration of the said period of twenty-one days or the said further period of fourteen days as the case may be referred to above the Vendor shall be under no obligation to sell the Said Shares to the member or members accepting the same and the provisions of article 5.17 shall apply as if none of the Said Shares had been accepted;
- 5.18.4 the Vendor, by notice in writing to the Company, may waive the provisions of this article 5.18 either in whole or in part.
- 5.19 With the consent in writing of all the members for the time being of the Company all or any of the provisions of this article 5 may be waived by the directors in whole or in part in any particular case.
- 5.20 Save on expressly provided to the contrary, the directors shall register any transfer made pursuant to the preceding paragraphs of this article 5 unless registration thereof would permit registration of the transfer of shares on which the Company has a lien.

6. **TRANSMISSION OF SHARES**

- 6.1 In the event of a person (other than a member) becoming entitled to shares in the event of the bankruptcy of a member or, in the case of a member being a limited company, in the event of the winding up of a member, then the trustee in bankruptcy or the liquidator of such member (as the case may be) shall within thirty days of such event give or be deemed to have given a Transfer Notice in respect of the shares registered in the name of such member in accordance with the terms of article 5 at the Transfer Price that would be determined in accordance with article 5.11 on the date of the appointment of the trustee in bankruptcy (in the case of a bankrupt member) and on the date of the appointment of the liquidator (In the case of the winding-up of a member) and all the provisions of article 5 shall (with the deletion of the words "Convertible Preference" In articles 5.4 and 5.7 and with the exception of article 5.9)) accordingly apply mutatis mutandis.
- 6.2 Regulation 29 to 31 of Table A shall apply to the extent not inconsistent with article 6.1.

7. **GENERAL MEETINGS**

- 7.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 7.2 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 42 days after receipt of the requisition.
- 7.3 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.

8. **NOTICE OF GENERAL MEETINGS**

- 8.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 clear days notice.
- 8.2 All other extraordinary general meetings shall be called by at least 14 clear days notice but a general meeting may be called by shorter notice if it is so agreed:-
- 8.2.1 In the case of an annual general meeting by all the members entitled to attend and vote thereat;
- 8.2.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
- 8.3 The notice of a general meeting 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.
- 8.4 Subject to the provisions of these articles and to any restrictions imposed on any shares, notice of a general meeting shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

- 8.5 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.

9. **PROCEEDINGS AT GENERAL MEETINGS**

- 9.1 No business shall be transacted at any meeting unless a quorum is present.
- 9.2 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 corporate member, shall be a quorum.
- 9.3 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present:-
- 9.3.1 the meeting, if convened upon the requisition of member, shall be dissolved;
- 9.3.2 in any other case, it shall stand adjourned until the same day in the next week at the same time and place, or such other day, time and place as the directors may determine, and if at the adjourned meeting a quorum is not present or ceases to be present then the member or members present shall be a quorum.
- 9.4 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 15 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.
- 9.5 If no director is willing to act as chairman, or if no director is present within 15 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.
- 9.6 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.
- 9.7 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, and without such consent he may adjourn any meeting at which a proposal of importance is made for the consideration whereof in his judgement (which shall not be challenged) a larger attendance of members is desirable.
- 9.8 No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 9.9 When a meeting is adjourned for 14 days or more, at least 7 clear days notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted, but otherwise it shall not be necessary to give any such notice.

- 9.10 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on a declaration of the result of, the show of hands a poll is duly demanded.
- 9.11 A poll may be demanded by any member having the right to vote at the meeting.
- 9.12 A demand for a poll by a person as proxy for a member shall be the same as a demand by the member.
- 9.13 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 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.
- 9.14 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.
- 9.15 A poll shall be taken as the chairman may direct and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll.
- 9.16 The result of the poll (unless it was held at an adjourned meeting) shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 9.17 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to have a casting vote in addition to any other vote he may have.
- 9.18 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
- 9.19 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 10 days after the poll is demanded.
- 9.20 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than a question on which the poll was demanded.
- 9.21 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made.
- 9.22 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, but in any other case at least 7 clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 9.23 A resolution in writing signed by all the members of the Company entitled to receive notice of and to attend and vote at a general meeting or by their duly appointed proxies or attorneys:-
- 9.23.1 shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held; and

- 9.23.2 any such resolution in writing may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director thereof or by its duly authorised representative.

10. **VOTES**

- 10.1 Subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or (if a corporation) present by a representative duly authorised in accordance with the Act who is not also 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.
- 10.2 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 for this purpose seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 10.3 No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class unless all calls or other sums presently payable by him in respect of shares of the Company have been paid.
- 10.4 On a poll votes may be given either personally or by proxy.
- 10.5 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor (or, if a corporation, under the hand of a duly authorised officer of the corporation) and shall be in such form as the directors may determine or, failing such determination, in any usual form.
- 10.6 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:-
- 10.6.1 be deposited at the office (or 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 later 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
- 10.6.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 10.6.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.
- 10.7 An instrument of proxy which is not deposited or delivered in the manner permitted under article 10.6 shall be invalid.

11. **DIRECTORS**

- 11.1 The number of the directors shall be determined by the Company in general meeting but unless and until so determined there shall be no maximum number of directors and the minimum number of directors shall be two.
- 11.2 In the event of the minimum number of directors fixed by or pursuant to these articles being one, a sole director shall have authority to exercise all the powers and discretions vested in the directors generally and regulation 89 of Table A shall be modified accordingly.
- 11.3 A director or alternate director shall not require any share qualification but any director or alternate director who is not a member of the Company shall nevertheless be entitled to receive notices of and attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.
- 11.4 A person may be appointed a director notwithstanding that he shall have attained the age of seventy years or any other age and no director shall be liable to vacate office by reason of his attaining that or any other age, nor shall special notice be required of any resolution appointing or approving the appointment of such a director or any notice be required to state the age of the person to whom such resolution relates.

12. **APPOINTMENT OF DIRECTORS**

- 12.1 The Company may by ordinary resolution appoint another person in place of a director removed from office by resolution of a general meeting in accordance with the Act, and (without prejudice to the powers of the directors under the next following article) the Company by ordinary resolution may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 12.2 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 these articles as the maximum number of directors.
- 12.3 At any time or from time to time the holder or holders of not less than three-quarters in nominal value of such part of the issued share capital of the Company as confers the right for the time being to attend and vote at general meetings of the Company may by memorandum in writing signed by or on behalf of him or them and left at or sent to the office appoint any person to be a director or remove from office any director who shall vacate office accordingly. Any such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.

13. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 13.1 The office of a director shall be vacated in any of the following events:-
- 13.1.1 if he resigns his office by notice in writing to the Company;
- 13.1.2 if he becomes bankrupt or makes any arrangement or composition with his creditor generally;

- 13.1.3 if 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 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;
- 13.1.4 if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 13.1.5 if he is absent from meetings of the board for six successive months without leave and his alternate director (if any) shall not during such period have attended in his stead, and the directors resolve that his office be vacated;
- 13.1.6 if he shall be removed from office under the provisions of article 12.3

14. POWERS OF DIRECTORS

- 14.1 Without prejudice to the powers conferred by regulation 70 of Table A the director may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the Company, or of any company which is or was a subsidiary of the Company or allied to or associated with the Company or any such subsidiary, or of any of the predecessors in business of the Company or of any such other company, and the spouses, widows, widowers, families and dependants of any such persons, and make payments to for or towards the insurance of or provide benefits otherwise for any such persons.
- 14.2 Without prejudice to the provisions of regulation 70 of Table A and of article 20 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time:-
- 14.2.1 directors, officers, employees or auditors of the Company or of any other company which is its holding company, or in which the Company or such holding company has any interest whether direct or indirect, or which is in anyway allied to or associated with the Company or such holding company, or if any subsidiary undertaking of the Company or of such other company;
- 14.2.2 trustees of any pensions fund in which employees of the Company or of any other such company or subsidiary undertaking are interested; including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported exercise execution and/or discharge of their powers or duties and/or otherwise in relation to their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

15. DIRECTORS' INTERESTS

- 15.1 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- 15.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested (including any insurance purchased or maintained by the Company for him or for his benefit);
- 15.1.2 may be a director or other officer of or employed by or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
- 15.1.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in such body corporate, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 15.2 For the purposes of article 15.1:—
- 15.2.1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- 15.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
16. **PROCEEDINGS OF DIRECTORS**
- 16.1 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 16.2 A director may, and the secretary at the request of the director shall, call a meeting of the directors.
- 16.3 Questions arising at a meeting shall be decided by a majority of votes.
- 16.4 In the case of an equality of votes, the chairman shall have a second or casting vote.
- 16.5 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.
- 16.6 Any director for the time being absent from the United Kingdom shall if he so requests be entitled to be given reasonable notice of meetings of the directors to such address in the United Kingdom (if any) as the director may from time to time notify to the Company but save as aforesaid it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.
- 16.7 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed it shall be two persons.
- 16.8 An alternate director who is not himself a director may, if his appointor is not present, be counted towards the quorum.

- 16.9 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, in such case, if the number of directors is less than the number fixed as the quorum, he or they may act only for the purposes of filling vacancies or of calling a general meeting.
- 16.10 The director may elect one of their number to be chairman of the board of directors and may at any time remove him from that office.
- 16.11 If there is no director holding the office of chairman, or if the director holding it, having had notice of a meeting, is not present within five minutes after the time appointed for it, the directors present shall appoint one of their number to be chairman of that meeting.
- 16.12 A meeting of the directors may, subject to notice thereof having been given in accordance with these articles, be for all purposes deemed to be held when a director is or directors are in communication by telephone or television with another director or directors and all of the said directors agree to treat the meeting as so held, provided that the number of the said directors constitutes a quorum of the board hereunder, and a resolution made by a majority of the said directors in pursuance of this article shall be as valid as it would have been if made by them at an actual meeting duly convened and held.
- 16.13 A resolution signed in writing 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 director; 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.
- 16.14 A director who is in any way either directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company:
- 16.14.1 shall declare the nature of his interest at a meeting of the directors in accordance with Section 317 of the Act;
- 16.14.2 subject to such disclosure, shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.
17. **ALTERNATE DIRECTORS**
- 17.1 Any director may at any time by writing under his hand and deposited at the office, or delivered at a meeting of the directors, appoint any person (including another director) to be his alternate director, and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the director, shall have effect only upon and subject to being so approved.
- 17.2 The appointment of an alternate director shall determine on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases to be a director.

- 17.3 An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally at such meeting to perform all the functions of his appointor as a director, and for the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he (instead of his appointor) were a director.
- 17.4 If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative.
- 17.5 If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, the signature of an alternate director to any resolution in writing of the directors shall be as effective as the signature of his appointor.
- 17.6 To such extent as the directors may from time to time determine in relation to any committees of the directors, the foregoing provisions of this article 17 shall also apply mutatis mutandis to any meeting of such committee of which the appointor or an alternative director is a member.
- 17.7 An alternate director shall not (save as provided in this article 17) have power to act as a director nor shall he be deemed to be a director for the purposes of these articles, but he shall be an officer of the company and shall not be deemed to be an agent of the director appointing him.
- 17.8 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
18. **DIVIDENDS**
- The directors may deduct from any dividend payable on or in respect of a share all sums of money presently payable by the holder to the Company on any account whatsoever.
19. **NOTICES**
- 19.1 A notice may be given by the Company to any member in writing either personally or by sending it by pre-paid post, tele-message or telex to his registered address within the United Kingdom supplied by him to the Company for the giving of notice to him, but in the absence of such address the member shall not be entitled to receive from the Company notice of any meeting.
- 19.2 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.

- 19.3 A properly addressed and pre-paid notice sent by post shall be deemed to have been given upon the day following that on which the notice is posted.
- 19.4 A notice given by telegram or tele-message shall be deemed to have been given at the expiry of 24 hours after it is delivered by the Company to the relevant transmitting authority.
- 19.5 A notice given by telex shall be deemed to have been given at the same time as it is transmitted by the Company.

20. **INDEMNITY**

Subject to the provisions of and so far as may permitted by the Act every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified out of the assets at the Company against all costs, charges, losses, expenses and liabilities incurred or sustained by him in the execution and discharge of his duties or otherwise in relation thereto. Regulation 118 of Table A shall be extended accordingly.