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2854197

ARTICLES OF ASSOCIATION

of

A SHARE & SONS
(HOLDINGS) LIMITED

Ward Hadaway
Alliance House
Hood Street
Newcastle upon Tyne
NE1 6LJ



THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF A SHARE & SONS (HOLDINGS) LIMITED
(formerly Hoodco 434 Limited)

(Company Registration No : 2854197)

(As adopted by a Special Resolution passed on 20th October, 1993, and
as amended by a Written Resolution passed on 22 October 1997.

1. Preliminary

- 1.1 The Company is a private Company and accordingly no shares or debentures of the Company may be offered to the public.
- 1.2 The Regulations contained or incorporated in Table A set out in the Schedule to the Companies (Tables A to F) Regulations 1985 shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.3 In these Articles the expression "the Act" means the Companies Act 1985 and shall include any statutory modification or re-enactment thereof for the time being enforced.
- 1.4 The following Regulations of Table A shall not apply to the Company videlicet; 24, 40, 41, 60, 64, 73, 74, 75, 89, 94 and 95.
- 1.5 In Regulation 1 of Table A between the words "regulations" and "the Act" the words "and in any regulations adopting the same" shall be inserted.

2 Rights attaching to shares

2.1 The authorised share capital of the Company at the date of adoption of these Articles of Association is £600,000 divided into 200,000 A Ordinary Shares of £1.00 each 200,000 Ordinary Shares of £1.00 each (collectively referred to as "Shares") and 200,000 Preference Shares of £1.00 each .

2.2 The rights attaching respectively to the A Ordinary Shares and the Ordinary Shares are as follows:-

2.2.1 Income

Subject always to the provisions of Article 22(a) which shall, when invoked by the Directors, take precedence over the provisions of this Article 2.2.1, whilst A Ordinary Shares and Ordinary Shares are both in issue holders of the A Ordinary Shares shall be entitled as a class to receive in aggregate 45 per cent of the profits of the Company available for distribution and resolved to be distributed by the Directors and holders of the Ordinary Shares shall be entitled as a class to receive in aggregate 55 per cent of the profits available for distribution and resolved to be distributed by the Directors respectively. Such profits shall in each case belong to and be distributed among such holders rateably according to the amount (not exceeding the nominal amount thereof) paid up on such Shares. In the event that pursuant to the provisions of Article 2.3 the A Ordinary Shares are reclassified as Ordinary Shares and there are as a consequence no A Ordinary Shares in issue then the profits of the Company available for distribution and resolved to be distributed by the Directors shall belong to and be distributed among the holders of the Ordinary Shares rateably according to the amount (not exceeding the nominal amount thereof) paid up on such Shares.

2.2.2 Capital

On a return of capital on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities ("Surplus Assets") shall be applied so that whilst A Ordinary Shares and Ordinary Shares are in issue:-

- (a) 45 per cent of such Surplus Assets shall belong to and be distributed among the holders of the A Ordinary Shares rateably according to the amount (not exceeding the nominal amount) paid up on such Shares; and
- (b) 55 per cent of such Surplus Assets shall belong to and be distributed among the holders of the Ordinary Shares rateably according to the amount (not exceeding the nominal amount) paid up on such Shares .

In the event that pursuant to the provisions of Article 2.3 the A Ordinary Shares are re-classified as Ordinary Shares and there are as a consequence no A Ordinary Shares in issue then the Surplus

Assets shall belong to and be distributed among the holders of Ordinary Shares rateably according to the amount (not exceeding the nominal amount) paid up on such Shares.

2.2.3 Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at General Meetings on a show of hands any member holding Shares who is present in person or by proxy (or in the case of a corporation by a duly appointed representative) shall have one vote and on a poll whilst A Ordinary Shares and Ordinary Shares are in issue the holders of the A Ordinary Shares as a class shall be entitled collectively to 45 per cent of the votes and the holders of the Ordinary Shares as a class shall be entitled collectively to 55 per cent of the votes. On a poll an individual holder of Shares shall be entitled to such of the proportion of the votes attributable to his class of Shares as the amount paid up on his Shares of that class bears to the total amount of such Shares in issue. In the event that pursuant to the provisions of Article 2.3 the A Ordinary Shares are re-classified as Ordinary Shares and there are as a consequence no A Ordinary Shares in issue then, subject to any rights or restrictions for the time being attached to any other class or classes of shares, at General Meetings on a show of hands every member holding Ordinary Shares who is present in person or by proxy (or in the case of a corporation by a duly appointed representative) shall have one vote and on a poll every member shall have one vote for each Ordinary Share of which he is a holder.

2.3 At any time when for at least 24 hours the proportion of the number of A Ordinary Shares in issue to the number of Ordinary Shares in issue has been in the ratio of approximately 45:55 the Directors may resolve to re-designate the issued A Ordinary Shares as Ordinary Shares and re-designate the unissued A Ordinary Share Capital as Ordinary Share Capital, to rank in all respects *pari passu* respectively with the existing Ordinary Shares in issue and the existing unissued Ordinary Share Capital and thereafter the issued Ordinary Share capital and the issued A Ordinary Share capital of the Company and the unissued A Ordinary Share Capital and the unissued Ordinary Share Capital shall rank *pari passu* and form one class of Ordinary Shares.

3. Allotment of Shares

- 3.1 The Directors are unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot shares up to the amount of the original or any increased share capital of the Company at any time or times during the period of 5 years from the date of adoption of these Articles of Association.
- 3.2 The Directors are also unconditionally authorised for the purposes of Section 80 of the Act to allot redeemable shares up to the amount of the original or any increased redeemable share capital of the Company at any time or times during the period of 5 years from the date of adoption of these Articles of Association. Any shares so allotted shall be subject to such terms as to redemption and premium on redemption, participation in profits and as to voting as the members shall from time to time by special resolution decide which shall conform to the provisions of Sections 159 to 161 and 170 to 172 of the Act.

4. Shares

4.1 The lien conferred by Clause 8 in Table A shall attach also to fully paid up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing 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, for all monies presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.

4.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

4.3 Any share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company or of the holder of such share, is liable, to be redeemed.

4.4 Subject to the provisions of this Act the Company may purchase any of its own shares.

4.5 Subject to the provisions of the Act, the Company may make a payment in respect of any redemption or purchase, pursuant to Articles 4.3 or 4.4. (as the case may be), of any of its own shares, otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of shares.

5. Permitted Transfers

5.1 For the purposes of this Article:

(a) "Privileged Relation" in relation to a member means the spouse (or widow or widower) of the member and the member's lineal descendants and for the purposes aforesaid a stepchild or adopted child or illegitimate child of any member shall be deemed to be a lineal descendant of such member;

(b) "Family Trust" means, in relation to a member being an individual or a deceased member, a trust (whether arising under a settlement, declaration or trust, testamentary disposition or an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of (i) that member and/or a Privileged Relation of that member, or (ii) any charity or charities as default beneficiaries from time to time (except another such charity or charities), and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such member or his Privileged Relations.

5.2 A member being an individual (not being in relation to the shares in question a holder thereof as a trustee of a Family Trust) may at any time transfer all or any of the shares held by him:

(a) To a Privileged Relation; or

(b) To trustees to be held upon a Family Trust of such member.

5.3 Where shares are held by trustees upon a Family Trust:

- (a) Such shares may on any change of trustees be transferred to the new trustees of that Family Trust;
- (b) Such shares may at any time be transferred to any person to whom under Article 5.2 the same could have been transferred by the settlor if he had remained the holder thereof;
- (c) If and whenever any such shares cease to be held upon a Family Trust (otherwise than in consequence of a transfer authorised by Article 5.2(b)) or there cease to be any beneficiaries of that Family Trust other than a charity or charities the trustees shall be deemed immediately to have given a Transfer Notice (as hereinafter defined) (in accordance with Article 6) in respect of all their Relevant Shares (as hereinafter defined); and
- (d) For the purposes of this Article 5.3 the expression "Relevant Shares" means and includes (so far as the same remain from time to time held by the trustees) the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the Relevant Shares or any of them.

- 5.4
- (a) Any member being a body corporate (not being in relation to the shares in question a holder thereof as the trustee in a Family Trust) may at any time transfer all or any shares held by it to a member of the same group (as hereinafter defined);
 - (b) Where shares have been transferred under Article 5.4 (a) (whether directly or by a series of transfers thereunder) from a body corporate ('the Transferor Company') (which expression shall not include a second or subsequent transfer in such a series of transfers) to a member of the same group ('the Transferee Company') and subsequently the Transferee Company ceases to be a member of the same group as the Transferor Company then the Transferee Company shall forthwith transfer the Relevant Shares (as hereinafter defined) to the Transferor Company; and failure so to transfer such shares within twenty-eight days of the Transferee Company ceasing to be a member of the same group as the Transferor Company shall result in a Transfer Notice (as hereinafter defined) being deemed immediately to be given in respect of the Relevant Shares;
 - (c) For the purposes of this Article 5.4:
 - (i) The expression 'a member of the same group' means a company which is from time to time a holding company of which the Transferor Company is a subsidiary or a subsidiary of the Transferor Company or of any holding company of which the Transferor Company is a subsidiary; and
 - (ii) The expression 'Relevant Shares' means and includes (so far as the same remain from time to time held by the

Transferee Company) the shares originally transferred to the Transferee Company by virtue of the holding of the Relevant Shares or any of them.

- 5.5 Any member being a body corporate (not being in relation to the shares in question a holder thereof as a trustee of a Family Trust) may at any time transfer all or any of the shares held by it to another body corporate which is acquired in connection with a bona fide scheme of amalgamation or reconstruction of the whole or the main part of the undertaking or assets of such member.
- 5.6 A member may at any time transfer all or any of his shares to any person with the prior written consent of all the other members.
- 5.7 The personal representatives of a member may at any time transfer all or any of the shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under these Articles.
- 5.8 If the personal representatives of a member are permitted under these Articles to become registered as the holders of any such member's shares and are left so to do then such shares may at any time be transferred by those personal representatives to any person to whom under this Article the same could have been transferred by such member if he had remained the holder thereof, but no other transfer of such shares by the personal representatives shall be permitted under this Article.
- 5.9 Unless all the members otherwise agree, no transfer of any share permitted by this Article shall be made during the active period of any Transfer Notice (as hereinafter defined) or Deemed Transfer Notice (as hereinafter defined) in respect of any such share (and for this purpose 'Active Period' in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).
- 5.10 No transfer made pursuant to any of the provisions of this Article 5 shall be capable of being registered unless there is delivered with such transfer a Deed of Adherence in a form satisfactory to the Directors duly executed by the Transferee agreeing to be bound by these Articles of Association and any relevant shareholders agreement or other agreement relating to such shares

Pre-Emption Rights

- 6.1 (a) Except for a transfer of shares which is permitted under these Articles as mentioned in Article 5 and except for any transfer of A Ordinary Shares which shall in all cases be freely transferable (unless and until such time as the A Ordinary Shares are reclassified as Ordinary Shares pursuant to Article 2.3 hereof in which event such reclassified A Ordinary Shares shall be treated as "shares" for the purposes of this Article 6) no shares shall be transferred until the following conditions of this Article 6 are complied with:-

(b) Any member proposing to transfer his shares ('the Proposing Transferor') shall give notice in writing ('Transfer Notice') to the Directors that the Proposing Transferor desires to transfer such shares. In the Transfer Notice the Proposing Transferor shall specify:

(i) The number and class of shares which the Proposing Transferor wishes to transfer ('the Transfer Shares') (which may be all or part only of the shares then held by the Proposing Transferor);

(ii) Whether or not the Proposing Transferor has received an offer from a third party for the Transfer Shares and if so the identity of any such third party and the price offered for the Transfer Shares;

(iii) The Transfer Notice shall constitute the Company (by its Board of Directors) as the agent of the Proposing Transferor with power to sell the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Transfer Price (as hereinafter defined). Once given a Transfer Notice may not be revoked (save as otherwise provided in these Articles) save with the prior written consent of all the other members. If a Proposing Transferor revokes the Transfer Notice he may not subsequently transfer the shares the subject of the Transfer Notice (or any interest therein) otherwise than in accordance with these Articles.

6.2 Where a Transfer Notice is given in respect of more than one class of shares it shall be deemed for the purposes of this Article to comprise a number of separate Transfer Notices, one in respect of each such class.

6.3 Within seven days after the receipt of any Transfer Notice the Directors shall serve a copy of that Transfer Notice on all the members other than the Proposing Transferor. In the case of a Deemed Transfer Notice (as hereinafter defined) the directors shall similarly serve notice on all the members (including the Proposing Transferor) notifying them that the same has been deemed to have been given, within one month after (i) the date of the event giving rise to the Deemed Transfer Notice, or (ii) (if later) the date on which the directors (as a whole) actually became aware of such event.

6.4 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase at a price per Transfer Share ('the Transfer Price'). In the case of the Transfer Shares amounting to an aggregate interest in the Company of less than 51% of the issued ordinary share capital of the Company the Transfer Price shall be such price as shall be agreed in writing between the Proposing Transferor and the directors or in the absence of such agreement (whether by reason of disagreement, death or otherwise) within 21 days after the service of notices pursuant to Article 6.3 the Transfer Price will be determined by the Company's auditors ('the Auditors'). The Auditors shall act as experts and not as arbitrators and their written determination shall be final and binding on the members.

In the case of the Transfer Shares amounting to an aggregate interest in the Company of 51% or more of the issued ordinary share capital of the Company and an offer being made for such Transfer Shares by a bona fide third party purchaser which is higher than the Transfer Price determined pursuant to this Article 6.4, then the Transfer Price shall be the sum offered for the Transfer Shares by the bona fide third party purchaser.

In the case of the Transfer Shares being preference shares, such shares shall be valued at their par value only and the Transfer Price shall be calculated by reference to such par value.

The Auditors shall certify the open market value of the Transfer Shares (in the case of the ordinary shares) as at the date of the Transfer Notice on the following assumptions and bases:-

- (i) valuing the Transfer Shares as an arms length sale between a willing vendor and a willing purchaser;
- (ii) if the Company is then carrying on business as a going concern on the assumption that it will continue to do so;
- (iii) that the Transfer Shares are capable of being transferred without restriction;
- (iv) valuing the Transfer Shares as a rateable proportion of the then total value of all the issued shares of the Company which value shall not be discounted or enhanced by reference to a class of the Transfer Shares or the number thereof.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Auditors in such manner as they shall in their absolute discretion think fit.

The Transfer Price per Transfer Share shall be a sum equal to the value of the Transfer Shares determined as aforesaid divided by the number of the Transfer shares. The Company will use its reasonable endeavours to procure that the Auditors determine the Transfer Price within twenty-one days of being requested so to do.

6.5 If the determination of the Transfer Price is referred to the Auditors the date of determination of the Transfer Price ('the Determination Date') shall be the date on which the directors receive the Auditor's determination of the Transfer Price in writing, or if an independent firm of Chartered Accountants is appointed by virtue of Article 6.6 below, the date on which the directors receive the independent firm of Chartered Accounts determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between the Proposing Transferor and the directors as aforesaid then the Determination Date shall be the date on which such agreement is made.

6.6 (a) Where the Auditors have determined the Transfer Price as

aforesaid the Proposing Transferor shall be entitled if the Transfer Price is not acceptable to him to give notice to the directors within seven days after the Determination Date that he requires an independent firm of Chartered Accountants who are not, or have not previously been, the Company's Auditors to be appointed to determine the Transfer Price. Such independent firm of Chartered Accountants shall be appointed either by the Proposing Transferor and the directors by agreement, or in default of agreement, by written request made by either the Proposing Transferor or the Company to the President for the time being of the Institute of Chartered Accountants in England and Wales to appoint a suitable firm of Chartered Accountants to determine the Transfer Price. The independent firm of Chartered Accountants shall adopt the same procedures, assumptions and bases set out in these Articles in determining the Transfer Price and their written determination shall be final and binding upon the members.

- (b) As an alternative to Article 6.6 above, where the Auditors have determined the Transfer Price as aforesaid the Proposing Transferor shall be entitled if the Transfer Price is not acceptable to him (save in the case of a Deemed Transfer Notice served pursuant to a Relevant Event as (hereinafter defined)) to revoke the Transfer Notice by giving notice in writing to the Directors that he does so within a period of fourteen days after the Determination Date (such period being herein referred to as the 'Withdrawal Period') provided always that this right shall not apply to the Transfer Price as determined by an independent firm of Chartered Accounts appointed by virtue of the foregoing provisions of this Article 6.6.

6.7 The costs and expenses of the Auditors in determining the Transfer Price and of their appointment shall be borne by the Company unless otherwise directed by the Auditors. The costs and expenses of the independent firm of Chartered Accountants appointed by virtue of Article 6.6 in determining the Transfer Price and of their appointment shall be borne by the Proposing Transferor.

6.8 Within seven days after the Determination Date, or if the Transfer Notice is capable of being revoked, within seven days after the expiry of the Withdrawal Period, the Transfer Shares shall be offered for purchase at the Transfer Price by the directors firstly to those members who at the date of the offer are registered as the respective holders of shares of the same class as the Transfer Shares (other than the Proposing Transferor) in proportion to their respective holdings of shares. Such offer shall be made in writing and shall specify the total number of Transfer Shares, the number of Transfer Shares offered to the member ('Pro Rata Entitlement'), a period being not less than fourteen days and not more than twenty one days within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro Rata Entitlement and for any shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period the directors shall allocate the said Transfer Shares in the

following manner:

- (a) To each member who has agreed to purchase shares his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;
 - (b) If any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of shares of the class then held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 6.8 (b) without taking account of any member whose application has already been satisfied in full.
- 6.9 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions the same shall be offered to or allocated amongst the members or some of them in such proportions as may be determined by lots drawn in respect thereof and the lots shall be drawn in such matter as the directors shall think fit.
- 6.10 If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the periods of the aforesaid offers they shall forthwith give notice in writing of that fact to the Proposing Transferor and none of the Transfer Shares will be sold to the members (except as mentioned below) pursuant to this Article. The Proposing Transferor may within a period of three months after the date of the directors' said notice sell all (but not some only) of the Transfer Shares to any person or persons (including any member) at any price which is not less than the Transfer Price (after deducting where appropriate any net dividend or other distribution to be retained by the Proposing Transferor).
- 6.11 If by the foregoing procedure the directors shall receive acceptances in respect of all the Transfer Shares the directors shall forthwith give notice in writing as hereinafter mentioned to the Proposing Transferor and to the member or members who have agreed to purchase the same and the Proposing Transferor shall thereupon become bound upon payment of the Transfer Price to the Proposing Transferor (his receipt shall be a good discharge to the purchaser, the Company and the directors none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of such purchaser and the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than seven days and not more than twenty-eight days from the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchases shall be completed at the time and place appointed by the directors.
- 6.12 If a Proposing Transfer having become bound to transfer any Transfer

Shares pursuant to this Article makes default in transferring the same the directors may also authorise some person who is (as security for the performance of the Proposing Transferor's obligations hereby irrevocably and unconditionally appointed as the attorney of the Proposing Transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company shall receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the Proposing Transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until he shall have delivered his Share Certificate (or an appropriate indemnity in respect of any lost Certificate) to the Company. The receipt of the Company for such purchase monies shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the Register of Members in the purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

6.13 (a) In these Articles a 'Relevant event' means:

(i) In relation to a member being an individual:

- (aa) such member being adjudicated bankrupt or making any voluntary arrangement or composition with his creditors; or
- (bb) such member dying; or
- (cc) the happening of any such events as are referred to in paragraphs (a), (c) and (d) of Regulation 81 of Table A; or
- (dd) such member ceasing to be a director and employee of the Company

(ii) In relation to a member being a body corporate:

- (aa) A Receiver, Manager, Administrator Receiver or Administrator being appointed of such member over all or any part of its undertaking or assets; or
- (bb) such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or re-construction); or
- (cc) Such member ceasing to be controlled (as defined by Section 840 of the Income and Corporation Taxes Act 1988) by the person who controlled such member on the date on which it became a member of the Company or on the date of adoption of these Articles

(whichever shall be the later).

- (b) Upon the happening of any Relevant Event the member in question shall be deemed to have immediately given a Transfer Notice (a 'Deemed Transfer Notice') in respect of all of the shares as shall then be registered in the name of such a member (or a personal representative, Privileged Relative, or trustees of a Family Trust) at the time of the Relevant Event and the foregoing provisions of this Article shall apply.

6.14 An obligation to transfer a share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

6.15 The provisions of this Article may be waived in whole or in part in any particular case with the prior consent of all the members.

6.16 If under any of the provisions of this Article any members become jointly and severally liable to complete the purchase of any Transfer Shares in place of any nominated purchaser then as between such members each of them shall purchase such number thereof as shall bear to the total number of Transfer Shares in question the same proportion as the number of shares held by such member at the date of the relevant nomination bore to the total number of shares then held by all such members.

7. Notice of General Meetings

Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies, and notice of all other communications relating to any General Meeting which any member is entitled to receive shall be sent to the directors and to the Auditors for the time being of the Company.

8. Quorum of Members

8.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. 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 or a corporation shall be a quorum.

8.2 If a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for such adjourned meeting any one person being a member or proxy for a member or representative of a corporation duly appointed in accordance with Sections 372 and 375 of the Act shall be a quorum.

9. Proceedings at General Meetings

- 9.1 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by any member present in person or by proxy.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost or not carried or by a particular majority and an entry to that effect in the book containing the Minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

- 9.2 Subject to the provisions of the Act any resolution in writing signed by all the members for the time being entitled to receive notice of and attend and vote at General Meeting, or by their duly appointed attorneys, 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 of the members or their attorneys.

10. Votes of Members

- 10.1 The Chairman shall, in the event of an equality of votes at any General Meeting of the Company, or at any meeting of the Directors or of a Committee of Directors, have a second or casting vote.

11. Proxy

The instrument appointing a proxy shall be in writing in any usual common form, or such other form as may be approved by the directors, and shall be signed by the appointer or his attorney, duly authorised in writing, or if the appointer is a corporation shall be either under its common seal or under the hand of an officer or attorney so authorised. An instrument of proxy need not be witnessed.

12. Directors

- 12.1 The number of directors shall be determined by the Company in a General Meeting but unless and until so fixed the minimum number of directors shall be one and there shall be no maximum number.

- 12.2 A director shall not require any share qualification, but shall nevertheless be entitled to 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.
- 12.3 Any person may be appointed or elected as a director irrespective of whether or not he has attained the age of seventy years or any other age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.
- 12.4 In the event of the minimum number of directors fixed by or pursuant to these Articles or Table A being one, a sole director shall have authority to exercise all the powers and discretions by Table A or these Articles expressed to be vested in the directors generally.
- 12.5 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.

13. Alternate Directors

- 13.1 Each director shall have the power to nominate any other director or any person approved for that purpose by resolution of the Board acting by majority to act as an alternate director in his place during his absence, and at his discretion to revoke such nomination and on such appointment being made each alternate director whilst so acting shall be entitled to exercise or discharge all the functions powers and duties and undertake all the liabilities and obligations of the director he represents but shall not be entitled to receive any remuneration from the Company. An alternate director shall if he is a director have one vote for each director he represents in addition to his own vote, and shall be counted in the quorum both for himself and separately for each director he represents. A nomination as an alternate director shall ipso facto be revoked if the appointor ceases for any reason to be a director.
- 13.2 Notice of all Board Meetings shall be sent to every alternate director as if he were a director of the Company until revocation of his appointment.
- 13.3 The appointment of an alternate director shall be revoked and the alternate director shall cease to hold office whenever the director who appointed such alternate director shall give notice in writing to the secretary of the Company that he revokes such appointment.

14. Powers and Duties of Directors

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

- (a) of the names of the directors present at each meeting of the directors and any meeting of any Committee of the directors;

- (b) of all resolutions and proceedings at all meetings of the Company and of the directors and of any Committee of the directors;
- (c) of all appointments of officers made by the directors;
- (d) of all documents sealed with the Common Seal of the Company.

15. Proceedings of Directors

- 15.1 The directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of the directors.
- 15.2 A resolution in writing signed by all of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

16. Quorum of Directors

The quorum necessary for the transaction of business at meetings of the directors may at any time be fixed by a majority of the directors in writing and unless so fixed at any other number shall be two.

17. Director's Borrowing Powers

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to Section 80 of the Act, to issue and create mortgages, charges, memoranda of deposits, debentures, debenture stock and other securities whether outright or as a security for any debts, liability or obligation of the Company or any third party.

18. Interest of Directors

A director may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purposes of quorum at a meeting at which such contract or arrangement is considered, and retain for his own absolute use and benefit all profits and advantages accruing to him therefrom.

19. Rotation of Directors

Directors shall not be liable to retire by rotation.

20. Disqualification of Directors

The offices of director shall be vacated if the director:-

- (a) ceases to be a director by virtue of any provision of the Act

- or he becomes prohibited by law from being a director;
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally, or becomes of unsound mind;
 - (c) resigns his office by notice in writing to the Company;
 - (d) is absent from directors' meetings for six calendar months without reasonable excuse and without the consent of the other directors and they resolve that he vacate office.

21. Indemnity

Every director or other officer or Auditor of the Company for the time being shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties 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 144 or 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 insofar as its provisions are not avoided by Section 310 of the Act.

- 22(a) Any General Meeting declaring a dividend may upon the recommendation of the Board, direct a payout or satisfaction of such dividend wholly or in part by the distribution of specific assets and in particular of fully paid shares or debentures of the Company, and the Board shall give effect to such directions.
- (b) The Directors may with the sanction of shareholders in general meeting determine (at the same time as they declare an intention to resolve to recommend or authorise the payment of any dividend on the fully paid Shares) that each holder of A Ordinary Shares and/or of Ordinary Shares shall have the option to elect to receive an issue of A Ordinary Shares (in the case of holders of A Ordinary shares) or Ordinary Shares (in the case of holders of Ordinary Shares) credited as fully paid instead of cash in respect of the whole (or some part to be determined by the Board) of such dividend or dividends, such shares having a value (actual or nominal) of such amount as the Directors may determine which may be greater than, equal to or less than the amount of the dividend. The Directors may determine to make such option available only to holders of A Ordinary Shares or of Ordinary Shares (as the case may be) and, where such option is made available in relation to one class of Shares only, shall provide that should all holders of Shares of such class exercise such option then no dividends will be payable to holders of Shares of the other class.

- (c) If the Directors determine to allow such option in relation to any dividend each holder of fully paid Shares conferring a right to share in such dividend and to whom such option is made available may be by notice in writing to the Company, (hereinafter called a "Notice of Election", given in such form and within such a period as the Directors may from time to time determine) elect to receive A Ordinary Shares or, as the case may be, Ordinary Shares instead of cash in respect of so many or all of the Shares conferring a right to share in such dividend as he shall specify in the Notice of Election such Shares to be allotted to him credited as fully paid, on such basis as the Directors may determine.
- (d) The Directors may stipulate that no shareholder shall be entitled to elect as aforesaid if his holding of Shares is such that if he elected in respect of the whole of such holding he would be entitled to be allotted less than one Share.
- (e) Following the receipt of a Notice or Notices of Election pursuant to paragraph (c) of this Article 22 the Directors shall appropriate out of the undistributed profits or reserves of the Company (including share premium account) such amount as they shall determine and apply the same in paying up Shares of the relevant class to be allotted credited as fully paid to those holders of Shares who have given Notices of Election as aforesaid (the "Electing Shareholders"), such Shares to be allotted and distributed credited as fully paid up to the Electing Shareholders in the proportions that the Directors shall so determine. The Shares so allotted shall rank pari passu in all respects with the fully-paid Shares of that class then in issue save only as regards participation in the relevant dividend.
- (f) The Directors shall not exercise the power conferred on them by paragraph (b) of this Article 22 unless in their opinion the Company has sufficient unissued shares capable of issue and sufficient undistributed profits or reserves to give effect to any elections in respect thereof which could be made under the terms of this Article 22.
- (g) The powers given to the Directors by this Article 22 are additional to the provisions for capitalisation of profits provided for by Regulation 110(a) of Table A.