

THE COMPANIES ACT 1985

VIRGIN VOYAGER LIMITED

COMPANY NUMBER 2857673

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1985

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Secretary

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**ARTICLES OF ASSOCIATION
OF
Virgin Voyager Limited**

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
VIRGIN VOYAGER LIMITED

PRELIMINARY

1. The regulations in Table A in the Companies (Tables A to F) Regulations in force at the date of the incorporation of the Company shall not apply to the Company.

2. In these Articles, each of the words and expressions in the first column of the following table shall if not consistent with the context, bear the meaning set opposite it in the second column:

The Act means The Companies Act 1985 or any statutory re-enactment or modification of the Act for the time being in force; any reference to any section or provision of the Act being deemed to include a reference to any statutory re-enactment or modification, thereof for the time being in force;

These Articles means these articles of association as from time to time altered by special resolution;

The auditors means the auditors for the time being of the Company;

The board means the directors or any of them acting as the board of directors of the Company;

Clear days means in relation to a period of notice means that period excluding the day when a notice is given or deemed to be given and the day for which it is given or takes effect;

The Company means the company registered under the Act with number 2857673;

"A" Ordinary Shares means the "A" Ordinary Shares of 10p each in the capital of the Company having the rights set out herein and in particular in Article 4;

Director means a director of the Company;

Dividend means dividend or bonus;

The holder means in relation to any Shares means the member whose name is entered in the register as the holder of such Shares;

In writing means written, produced by any visible substitute for writing, (or partly one and partly the other) and, in any case, on paper or other tangible material;

Month means calendar month;

The secretary means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary

Shares means Ordinary and "A" Ordinary Shares;

Shareholder the holder of a Share in the capital of the Company;

Ordinary Shares means the Shares of US\$ 0.01 each in the capital of the Company having the rights set out herein and in particular in Article 4;

The Office means the registered office of the Company;

Paid means paid or credited as paid;

Register means the register of members of the Company;

Seal means the common seal of the Company;

United Kingdom means Great Britain and Northern Ireland.

Year means year from 1st January to 31st December inclusive;

Financial year has the meaning the meaning given to that expression by s742 of the Act;

References to a document being executed include references to its being executed under hand or under seal or by any other method.

References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

Save as aforesaid any words or expressions defined in the Act (but excluding any statutory modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings are inserted for convenience only and do not affect the construction of these Articles.

SHARE CAPITAL

3. The Share capital of the Company is US\$ 221,228.80 and £2,500,000 divided into 22,122,880 Ordinary Shares of US\$0.01 each and 25,000,000 "A" Ordinary Shares of 10p each.

4. The Shares shall confer upon a holder of such Shares the following rights and privileges and are subject to the following conditions and restrictions:-

(a) Capital

On a return of assets, whether on a dissolution, winding-up, reduction of capital or otherwise, the assets of the Company available for distribution amongst the Shareholders shall be applied as follows:

- (i) to the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up on their respective holdings of such Ordinary Shares, the sum of US\$ 0.01 per Share and, subject to the payment to the holders of the "A" Ordinary Shares of the amounts described in Article 4(a)(ii) below, the remaining assets of the Company available for distribution; and
- (ii) to the holders of the "A" Ordinary Shares in proportion to the amounts paid up or credited as paid up on their respective holdings of such Shares, the nominal value of such shares, but only once the holders of the Ordinary Shares have received at least the sum of £1 million per Share.

(b) Voting Rights

- (i) the Ordinary Shares shall each carry 1 vote per Share;
- (ii) the "A" Ordinary Shares shall carry no voting rights and shall not entitle the holders thereof to receive notice of, attend or speak at any general meeting of the Company.

(c) **Income**

The holders of the Ordinary Shares shall be entitled (*pari passu* amongst themselves in proportion to the amounts paid up or credited as paid up on the Ordinary Shares) to be paid out of the profits of the Company available for dividend such sums as the Directors of the Company resolve are to be distributed to the holders of the Ordinary Shares. The "A" Ordinary Shares shall carry no rights to dividends.

SHARES

5. Subject to the provisions of the Act and without prejudice to any rights attached to any existing Shares, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

6. Subject to the provisions of the Act relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued Shares shall be at the disposal of the board, and the board may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons, at such times and on such terms as it thinks proper.

7. The Company may exercise all powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other.

8. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the registered holder.

9. Except as authorised by the Act:

- (1) the Company shall not acquire its own Shares, whether by purchase subscription or otherwise except by purchase pursuant to Article 39, nor shall the Company make a loan for any purpose whatsoever on the security of its Shares or those of its holding company (if any);
- (2) the Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee the provision of security or

otherwise, any financial assistance for the purpose of or in connection with any purchase or subscription of or for any Shares in the Company or its holding company (if any);

- (3) the Company shall not make or guarantee, or provide any security in connection with, a loan to any Director or to any director of its holding company (if any) or enter into any other transaction in contravention of section 330 of the Act.

10. Except as authorised by the Act, the Company shall not be a member of a company which is its holding company.

CERTIFICATES

11. Every member, upon becoming the holder of Shares, shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Board may determine. Every certificate shall be sealed with the Seal and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid upon thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

12. If a Share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

SHARE WARRANTS TO BEARER

13.(1) Subject to the provisions of the Act, the Directors may, with respect to paid up Shares, issue under the seal of the Company Share warrants to bearer stating that the bearer is entitled to the Shares therein specified and may provide, by coupons or otherwise, for the ascertainment of the entitlement to future dividends or any other right arising on the Shares included in such warrants. All Shares while represented by warrants shall be transferable by delivery of the warrants relating thereto.

(2) The Directors may determine, and from time to time vary, the conditions upon which Share warrants may be issued and in particular upon which a new Share warrant or coupon will be issued in the place of one worn out, defaced or destroyed and upon which the bearer of a Share warrant shall be entitled to attend and vote at general meetings provided that no new Share

warrant shall be issued unless the Directors are satisfied beyond reasonable doubt that the original warrant has been destroyed.

(3) Subject to the provisions of these Articles and of the Act, the bearer of a Share warrant shall be deemed to be a member of the Company to the full extent and shall be subject to the conditions relevant thereto for the time being in force.

CALLS ON SHARES

14.(1) Subject to the terms of allotment, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium); provided that at least fourteen days' notice shall be given of every call specifying the time and place of payment. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made.

(2) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

(3) Subject to the terms of allotment, the Board may make arrangements on the issue of Shares for a difference between the holders in the amount and times of payment of calls on their Shares.

15.(1) Each member shall pay to the Company, at the time and place of payment specified in the notice of the call, the amount called on his Shares. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

(2) If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Shares or in the notice of call or, if no rate is fixed, at the appropriate rate (as defined by the Act), but the Board may waive payment of the interest wholly or in part.

15. Any sum payable in respect of a Share which becomes payable on allotment or at any fixed date, whether in respect of nominal value or by way of premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

LIEN ON SHARES

16. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any amount payable in respect of it.

17.(1) The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable and it is not paid within fourteen clear days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

(2) To give effect to any sale the Board may authorise some person to execute an instrument of transfer of the Share sold to, or in accordance with the directions of, the purchaser. The transferee shall be entered in the Register as the holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(3) The net proceeds of sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Share before the sale) be paid to the person entitled to the Shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARES

18.(1) If a member fails to pay the whole or any part of any call or instalment of a call on the day fixed for payment, the Board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

(2) The notice shall fix a further day (not being less than seven days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place specified, the Shares on which the call was made will be liable to be forfeited.

19. If the requirements of any such notice are not complied with, any Share in respect of which such notice was given may before the payments required by the notice have been made be forfeited by a resolution of the Board to that effect. Every forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

20. Subject to the provisions of the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board determines either to the person who was before the forfeiture the holder or to any other person, and at any time before sale, re-allotment or disposition, the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the forfeited Share to that person.

21. A person any of whose Shares have been forfeited shall cease to be a member in respect of those and shall surrender to the Company for cancellation the [certificate] for the Shares forfeited, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were then payable by him to the Company in respect of those Shares, with interest thereon at the rate at which interest was payable at the appropriate rate (as defined in the Act) from the date of forfeiture until payment of all moneys in respect of those Shares, but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares, at the time for forfeiture or for any consideration received on their disposal.

22. The Board may accept the surrender of any Share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered Share shall be treated as if it had been forfeited.

23. A statutory declaration in writing by one of the Directors or the Secretary that a Share was duly forfeited or surrendered on a date stated in the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender or disposal of the Share.

TRANSFER OF SHARES

24. The instrument of transfer of a Share may be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the

Share until the name of the transferee is entered in the Register in respect thereof.

25.(1) Any person who is a holder of any Shares may transfer or agree to transfer any of such Shares registered in his name or which he is entitled to transfer:

- (a) in the case of a member who holds such Shares as nominee or trustee for any person (the *Beneficial Owner*), to the Beneficial Owner or to any other person (a *Nominee*) who shall hold such Shares as nominee or trustee for the Beneficial Owner;
- (b) in the case of a member who holds such Shares only by way of security, to the person who transferred such Shares to that member;
- (c) in the case of a member which is a company, to any other company (an *Associated Company*) associated with that member by reason either that it is a holding company of that member or that it is another subsidiary of such a holding company (the expressions *subsidiary* and *holding company* having the meanings given to them respectively in section 736 of the Act);
- (d) in the case of a personal representative of a deceased member, to the widow, widower, child or remoter issue of such deceased member or to another personal representative of the same estate;
- (e) in the case of a transfer as permitted by any provision of any agreement for the time being in effect between the holders of not less than 95 per cent of the issued Shares; or
- (f) with the prior written consent of the holder or holders of not less than 95 per cent of the issued Shares;

provided that no transfer of Shares in any such case shall be registered unless the transferor shall have produced to the Board such evidence as it may require to establish that the transfer falls within the provisions of this paragraph.

Any person who has (other than in breach of this Articles) acquired an interest in any Shares may transfer or agree to transfer that interest to any of the persons to whom a transfer of a Share would be permitted by virtue of this paragraph.

(2) Except where the transfer or other disposal is permitted by paragraph (1) of this Article, before transferring or otherwise disposing of any interest in any Shares or agreeing to do so conditionally or otherwise (unless a condition precedent to the agreement is approved of the transfer in accordance with paragraph (1) of this Article), the person proposing to

transfer such Shares or interest or to enter into an agreement to do so (the *proposing transferor*) shall give notice in writing (a *transfer notice*) to the Company that he wishes to transfer or agree to transfer such Shares. In the case of a proposed transfer of an interest in Shares, the transfer notice shall nevertheless relate to the Shares in which the relevant interest exists. A transfer notice shall specify:

- (a) the name of the person, if any, to whom he wishes to transfer such Shares or the relevant interest (the *proposed transferee*) and, where different, of the proposed beneficial owner;
- (b) the number and class of the Shares which he proposes to transfer or in which the relevant interest exists (the *offered Shares*); and
- (c) the price per Share at which he is prepared to sell the offered Shares (the *offer price*);

and shall constitute the Company his agent for the sale of the offered Shares to any member or members of the Company willing to purchase, or to procure purchasers for, them (the *purchasing members*) at the offer price or, where applicable, at the fair value to be fixed by the Auditors of the Company in accordance with paragraph (7) of this Article. A transfer notice shall not be revocable.

(3) Within seven days of the date of receipt by the Company of a transfer notice the Company will offer the offered Shares to all other members in proportion (as nearly as may be) to the number of Shares held by them respectively. Every such offer shall be made in writing specifying:

- (a) the name of the proposing transferor and proposed transferee (and, where different, the proposed beneficial owner);
- (b) the number and class of the offered Shares;
- (c) the offer price; and
- (c) the number of Shares offered to the member (his *proportionate entitlement*);

and shall be accompanied by a form of acceptance for use by each member in accepting all or part of his proportionate entitlement and a form of application for use by each member in applying for Shares in excess of such entitlement which he is prepared to purchase (*excess Shares*).

(4) Every such offer shall be open for acceptance in whole or in part until 3.00 pm on the twenty-first day after the date of its despatch. An acceptance in respect of Shares comprised in a member's proportionate entitlement or an application for excess Shares shall only be valid to the extent that payment in

full for the Shares accepted or for the excess Shares applied for accompanies the acceptance or application (as the case may be).

(5) Following the time referred to in paragraph (4) of this Article, the Board shall allocate the offered Shares in the following manner:

- (a) to each purchasing member there shall be allocated his proportionate entitlement or such lesser number of Shares for which he may have validly accepted the offer;
- (b) if the number of any Shares which remain unallocated is less than the number of Shares for which valid excess applications have been made, the unallocated Shares shall be allocated (as nearly as may be) in the proportions which the valid applications for excess Shares bear to one another; and
- (c) if the number of any Shares which remain unallocated equals or is greater than the number of Shares for which valid excess applications have been made, each purchasing member who has applied for excess Shares shall be allocated the number of excess Shares for which he validly applied.

(6) Within seven days of the expiry of the twenty-one day period under paragraph (4) of this Article in which acceptances and/or applications from purchasing members can be made, the Company shall notify the proposing transferor and all purchasing members of the details of the acceptances and applications which have been made and of the allocations made as between purchasing members under paragraph (5) of this Article.

(7) If any purchasing member states in his acceptance or application that he is not prepared to accept the offer price, the Company shall arrange that the Auditors shall certify in writing the sum or respective sums, as appropriate, which, in their opinion, is the fair value of a Share and such sum or sum shall be deemed to be the fair value of such Share or Shares respectively. In certifying such sum or sums no account shall be taken by the Auditors of the size of the holding to be transferred or of the number of Shares already held by any purchasing member. In so certifying, the Auditors shall be considered to be acting as experts and not as arbitrators and accordingly the Arbitration Acts 1950 and 1979 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining such Auditors' certificate shall be borne by those purchasing members who have required a fair value to be fixed, in proportion to the number of Shares allocated to each such member. If within 14 days either the proposing transferor or the purchasing member notifies the Company that he wishes the certificate in paragraph (7) above not to be given by the Auditors an alternative firm of chartered accountants will be appointed (in default of agreement) by the President for the time being of the Institute of

Chartered Accountants in England and Wales and in connection with the transfer in respect of which a certificate is to be given all relevant reference herein to the Auditors shall be deemed to refer instead to that firm of accountants.

(8) Any sale of Shares effected pursuant to this Article to a purchasing member who has not stated in his acceptance or application that he is not prepared to accept the offer price shall be at the offer price and any sale of Shares effected pursuant to this Article to a purchasing member who has in accordance with paragraph (7) of this Article required a fair value to be fixed by the Auditors shall be at the fair value so fixed.

(9) Within seven days of the certificate of the Auditors being received by the Company, the Company shall send a copy thereof to the proposing transferor and to all purchasing members.

(10) The proposing transferor shall be bound, upon payment of the offer price or the fair value (as the case may be), to transfer the offered Shares which have been allocated to the purchasing members pursuant to paragraph (5) of this Article to such purchasing members. If, after becoming so bound, the proposing transferor makes default in transferring the offered Shares, the Company may receive the purchase money and the proposing transferor shall be deemed to have appointed any one Director or the Secretary of the Company as his agent to execute a transfer of the offered Shares to the purchasing members and, upon execution of such transfer, the Company shall hold the purchase money in trust for the proposing transferor and shall, in the case of a transfer notice deemed to have been given in accordance with paragraphs (12) and (13) of this Article, be entitled to deduct therefrom the cost of obtaining the Auditors' certificate pursuant to paragraph (7) of this Article, to the extent that the proposing transferor concerned shall not have previously paid such cost. The receipt of the Company for the purchase money shall be a good discharge to each purchasing member and, after his name has been entered in the Register, the validity of the proceedings shall not be questioned.

(11) If all the Shares comprised in a transfer notice are not accepted by a purchasing member or purchasing members, the proposing transferor may, within six months of the date on which he receives notification of the details of the acceptances and/or application by purchasing members under paragraph (6) of this Article or, where any purchasing member has not accepted the offer price, within six months of the receipt by the proposing transferor of a copy of the certificate of the Auditors under paragraph (9) of this Article, transfer all (but not some) of the Shares registered in his name (or the relevant interest in those Shares if such an interest was specified in the transfer notice) which have not been accepted to the proposed transferee on a bona fide sale at a price per Share not less than whichever is the higher of the

offer price or the fair value (after deduction, where appropriate, of any dividend or other distribution to be retained by the proposing transferor).

(12) If:

- (a) a Nominee to whom Shares (or an interest in Shares) have been transferred pursuant to paragraph (1)(a) of this Article ceases to hold such Shares (or interest) as nominee or trustee for the Beneficial Owner or for a person to whom transfer of an interest is permitted by virtue of paragraph (1) of this Article; or
- (b) an Associated Company (or an interest in Shares) to which Shares have been transferred pursuant to paragraph (1)(b) of this Article ceases to be associated (within the meaning of that sub-paragraph) with the Company which transferred such Shares to it and does not, prior to its ceasing to be so associated, transfer all the Shares registered in its name and every interest in Shares in the Company which it has to such company,

then such Nominee or Associated Company (or, where applicable, the registered holder of the Shares in which the relevant interest exists) shall, if so required by the Board by notice in writing, immediately give a transfer notice under paragraph (2) of this Article in respect of all the Shares registered in its name (or, in the case of an interest in Shares, all the Shares in which the interest exists) immediately prior to such event. Any such transfer notice shall be deemed to specify as the offer price such a sum as the Auditors shall determine in accordance with paragraph (7) of this Article. If a transfer notice required by virtue of this Article is not serviced within one day after the giving of notice by the Board requiring such service, it shall be deemed to have been served on the second day after the giving of such notice.

(13) If any member (or person having an interest in any Share in the Company) shall at any time attempt to deal with or dispose of any Shares registered in his name (or the beneficial interest in any such Shares) otherwise than in accordance with the provisions of this Article the Board may, by notice in writing to the registered holder of the relevant Shares, require that holder to give immediately a transfer notice in respect of all such Shares. Any such transfer notice shall be deemed to specify as the offer price such a sum as the Auditors shall determine in accordance with paragraph (7) of this Article. If a transfer notice required by virtue of this Article is not served within one day after the giving of notice by the Board requiring such service, it shall be deemed to have been served on the second day after the giving of such notice.

(14) The provisions of this Article may be relaxed or varied to any extent by special resolution.

(15) This Article shall not apply to any renunciation of a right to the allotment of Shares pursuant to Article (7).

26.(1) Subject to the provisions of paragraph (2) of this Article the Board may, in its absolute discretion, refuse to register any instrument of transfer of (or which includes) Shares which are not fully paid or on which the Company has a lien, but shall not be bound to specify the grounds upon which such registration is refused.

(2) The Board may also refuse to register any instrument of transfer of Shares, unless,

- (a) it is duly stamped, is lodged at the Office or at such other place as the Board may appoint and is accompanied by the certificate for the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, and
- (b) it is in respect of only one class of Shares, and
- (c) in the case of a transfer to joint holders, they do not exceed four in number, and
- (d) the Board is satisfied that the provisions of Article 25 have been complied with in relation to that transfer, and
- (e) the Board is satisfied that the transferee, if he is a trustee or nominee, will hold the Shares concerned as trustee or nominee for the beneficiary named in the relevant transfer notice or, if no beneficial owner was specified in the relevant transfer notice, that the transferee will not hold the Shares concerned as a trustee or nominee.

27. If the Board refuses to register a transfer, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

28. The registration of transfers of Shares or of any class of Shares may be suspended and the Register closed at such times and for such periods as the Board may from time to time determine, provided that it shall not be closed for more than thirty days in any year.

29. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any Share.

30. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of refusal is given.

TRANSMISSION OF SHARES

31. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognised by the Company as having any title to his Share, but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any Share which has been jointly held by him with other persons.

32.(1) Any persons becoming entitled to a Share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may be properly required by the Board and subject as hereinafter provided, elect either to be registered himself as the holder of the Share or to have some person nominated by him registered as the transferee thereof.

(2) If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of the Share to that person. All the provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall apply to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by that member.

33. A person becoming entitled to a Share in consequence of the death or bankruptcy of a member shall subject to the requirements of Article 126 be entitled to receive, and may give a discharge for, all dividends and other moneys payable in respect of the Share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or to any of the rights or privileges of a member until he shall have become a member in respect of the Share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the Share until the requirements of the notice have been complied with.

ALTERATION OF CAPITAL

34. The Company may by ordinary resolution:

- (1) increase the Share capital by new Shares of such amount as the resolution prescribes;
- (2) consolidate and divide all or any of its Shares into Shares of larger amount than its existing Shares;

- (3) subject to the provisions of the Act, sub-divide its Shares, or any of them, into Shares of smaller amounts and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others, and
- (4) cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.

35. Whenever as a result of a consolidation of Shares any members would become entitled to fractions of a Share, the Board may, on behalf of those members, sell the Share representing the fractions for the best price reasonably obtainable to any person (including, subject to the provision of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Board may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in the proceedings in reference to the sale.

REDUCTION OF CAPITAL

36. Subject to the provisions of the Act, the Company may by special resolution reduce its Share capital, any capital redemption reserve and any Share premium account in any way.

REDEEMABLE SHARES

37. The Company may by special resolution create and sanction the issue of Shares which are, or at the option of the Company are to be liable to be, redeemed, subject to and in accordance with the provisions of the Act. The special resolution sanctioning any such issue shall also make such alterations to these Articles as may be necessary to specify the terms on which and the manner in which any such Shares shall be redeemed.

PURCHASE OF OWN SHARES

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

INVESTIGATION OF INTERESTS IN SHARES

39.(1) The Company may by notice in writing require any member to give such information as may be specified in the notice concerning any interest in Shares held by that member as if:

- (a) the notice were given under sub-section (1) of section 212 of the Act (and, accordingly, may require any of the information or particulars referred to in sub-sections (2) or (3) of the said section 212); and
- (b) the Company were a public company and all references to the relevant Share capital, to persons interested in Shares and to interests in Shares in the said section 212 (and in sections 203 to 205 and 208 of the Act as applied by sub-section (5) of the said section 212) and in this Article were construed accordingly.

(2) Any notice requiring information under paragraph (1) of this Article shall be served in accordance with these Articles and shall require any information given in response to the notice to be given in writing within such time as may be specified in such notice, not being less than ten days after the date of service of the notice, and any member upon whom such a notice is served shall provide the Company with the information required by the Company accordingly.

REGISTER OF INTERESTS

40.(1) The Company shall keep a register of interests in its Shares in which it shall inscribe against the name of the registered holder of the Shares concerned any information received by it in pursuance of a requirement imposed by it under paragraph (1) of Article 40 as if:

- (a) section 213 of the Act (and sub-sections (3) to (10) of section 211 of that Act as applied by sub-section (3) of the said section 213) applied to the Company, and
- (b) the requirement imposed by the Company pursuant to paragraph (1) of Article 39 had been imposed pursuant to sub-section (1) of section 212 of the Act.

(2) The register of interests to be kept by the Company pursuant to paragraph (1) of this Article shall, during business hours (subject to such reasonable restrictions as the Company may in general meeting impose, provided that no less than two hours in each day are allowed for inspection), be open to the inspection of any member, or his duly authorised representative (but not to any other person), without charge.

(3) Any member may require a copy of the said register of interests, or any part of it, on payment of twenty pence or such lesser sum as the

Company may prescribe for every hundred words or fractional part thereof to be copied, and the Company shall cause any copy so required by a member to be sent to him before the expiration of the period of ten days beginning with the day next following that on which the requirement is received by the Company.

MEETINGS OF MEMBERS: CONVENING OF GENERAL MEETINGS

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

42. The Board may call general meetings whenever it thinks fit, and, on the requisition of members in accordance with the Act, it shall forthwith convene an extraordinary general meeting for a date not more than eight weeks after receipt of the requisition, unless the requisitionists shall consent in writing to a later date being fixed. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

43. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

- (1) in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and
- (2) in the case of any other meeting, by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the Shares giving that right.

44. Every notice of meeting shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of such business. Every notice convening an annual general meeting shall specify the meeting as such and every notice convening a meeting to pass a special or extraordinary resolution shall also specify the intention to propose the resolution as a special or extraordinary resolution, as the case may be. Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote thereat instead of him and that a proxy need not be a member.

45. Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice of meeting shall be given to all the members, to all persons entitled to a Share in consequence of the death or bankruptcy of a member and to the Directors and Auditors. The accidental omission to give notice of any meeting or to send a form of proxy with a notice, where required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

46. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning or declaring dividends, the consideration of the accounts and balance sheet, the reports of the Directors and Auditors and any other documents required to be annexed to the balance sheet, the appointment of Directors in the place of those retiring by rotation or otherwise and the appointment or re-appointment of, and the fixing of the remuneration of, the Auditors, and the renewal, limitation, extension, variation or grant of any authority of or to the Board, pursuant to the Statutes, to allot securities.

47. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present for the purpose of this Article if represented by its representative duly authorised in accordance with Article 64.

48. 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.

49. If within half an hour from the time fixed for the meeting a quorum is not present or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such day, and to such time and place, as may be fixed by the chairman of the meeting and if at such adjourned meeting a quorum is not present within half an hour from the time fixed for holding the meeting, the members present in person or by proxy shall be a quorum.

50. The Chairman of the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman, or if at any meeting the Chairman is not present within half an hour after the time fixed for holding the meeting or is not willing to act as chairman of the meeting, the Directors present shall choose one of themselves, or if no Director is present,

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or if all the Directors present decline to take the chair, the members present and entitled to vote shall choose one of their members to be chairman of the meeting.

51. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

52. A resolution put to the vote of a meeting shall be decided on a show of hands, unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:

- (1) by the chairman of the meeting; or
- (2) by at least two members having the right to vote at the meeting, or
- (3) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (4) by a member or members holding Shares in the Company conferring a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right;

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

53. Unless a poll is duly demanded a declaration that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book, 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.

54. 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.

55. A poll duly demanded shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place

for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

56. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

57. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

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

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

VOTES OF MEMBERS

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

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

62. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

63. In the case of joint holders of a Share 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 stand in the Register.

64. Any corporation which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

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

66.(1) If at any time the Board is satisfied that either of the following events has occurred, namely that:

- (a) any member has failed to pay any call or any other sum payable in respect of Shares in the Company registered in his name; or
- (b) any member has failed to comply with a notice given to that member by the Company pursuant to paragraph (1) of Article 40 or, in purported compliance with such a notice, has made a statement which is false in a material particular;

the Board may serve notice in writing on any such member (*a default notice*) specifying the nature of the default which the Board considers to have occurred, the number of Shares concerned and the steps to be taken to remedy such default to the Board's satisfaction.

(2) From seven days after the service of a default notice until such time as the Board may serve further notice on the member concerned stating that the default has been remedied to the Board's satisfaction, that member shall not be entitled to attend or vote at any general meeting, either in person or by proxy, or to be reckoned in a quorum or to exercise any right or privilege as a member in relation to general meetings in respect of any Shares specified in the default notice.

(3) The Board shall cause the Register to have noted against the member upon whom a default notice has been served details of such notice and the number of Shares specified therein and shall cause such writing to be deleted upon service of any further notice under paragraph (2) of this Article.

67. No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company either in person or by proxy unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

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

69. Proxy forms shall be sent by the Company to all persons entitled to notice of and to attend and vote at any meeting, and such proxy forms shall provide for two-way voting on all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting. The instrument of proxy shall be in writing under the hand of the appointor or his attorney, or, if such appointor be a corporation, under its common seal, or the hand of a duly authorised officer or attorney, but the execution of such instrument need not be attested.

70. 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 Board may:

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

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

71. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the

Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution.

DIRECTORS: NUMBER AND APPOINTMENT OF DIRECTORS

72. Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall not be less than two in number.

73.(1) The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with these Articles.

(2) Any Director so appointed shall retire from office at the next following annual general meeting, and shall then be eligible for re-appointment. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

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

74. The continuing Directors may act notwithstanding any vacancies in their number, but if the number of Directors is reduced below any minimum number fixed by or in accordance with these Articles, the continuing Directors may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purposes.

75. Except as otherwise authorised by the Act, the appointment of any person proposed as a Director shall be effected by a separate resolution.

76. No person shall be appointed or re-appointed a Director at any general meeting unless:

(1) he is recommended by the Board; or

(2) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment stating the particulars which would, if he were so appointed or

re-appointed, be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed or re-appointed.

REMUNERATION OF DIRECTORS

77. The Directors shall be paid out of the funds of the Company by way of remuneration for their services such sums as the Company may from time to time by ordinary resolution determine. Unless the resolution provides otherwise, the remuneration shall be divided among them in such proportion and manner as the Directors may determine and, in default of such determination within a reasonable period, equally. Subject as aforesaid, a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The Directors shall also be entitled to be repaid by the Company all such reasonable travelling, hotel and other expenses as they may properly incur in attending meetings of the Board, or of committees of the Board, or general meetings or which they may otherwise properly incur in connection with the discharge of their duties.

78. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

POWER OF DIRECTORS

79. Subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Memorandum of Association of the Company or of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other provision of these Articles.

80. The Board may make such arrangements as the Board thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint legal boards, managers and agents and delegate to them any of the powers of the Board (other than the power to borrow and make calls) with power to sub-delegate.

81.(1) The Board may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities or other benefits to or for the benefit of past or present Directors or

employees of the Company or any of its subsidiaries or any company associated with, or any business acquired by, any of them or to or for the benefit of persons who were related to or dependants of any such Directors or employees.

(2) For the purposes of section 719 of the Act, the Board is hereby authorised to make such provision as may be seen appropriate for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or transfer to it of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be sanctioned by a resolution of the Board.

82. The Board may from time to time by power of attorney under the Seal or as otherwise permitted by the Act appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

83. The Board may from time to time make and vary such regulations as it thinks fit in respect of the keeping of overseas branch registers of members pursuant to the Act.

BORROWING

84. Subject as herein provided the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether out of its assets or as collateral security, for any debt or obligation of the Company or of any third party.

MANAGING AND EXECUTIVE DIRECTORS

85. Subject to the provisions of the Act, the Board may from time to time:

- (1) appoint one or more of its body to the office of Managing Director, or to any other executive office (except that of Auditor) or employment in the Company for such period and on such terms as it thinks fit, and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose

appointment is revoked may have against the Company by reason of such revocation);

- (2) permit any person appointed to be a Director to continue in any other office or employment held by him before he was so appointed.

A Director (other than a Managing Director) holding any such other office or employment is herein referred to as an *Executive Director*.

86. A Director appointed to the office of Managing Director shall (subject to the provisions of any contract between himself and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and if he ceases for any cause to be a Director he shall ipso facto cease to be a Managing Director but without prejudice to any rights or claims which he may have against the Company by reason of such cessation.

87. An Executive Director shall not ipso facto cease to be a Director if he ceases for any cause to hold the office or employment by virtue of which he is termed an Executive Director.

88. The emoluments of any Managing Director or Executive Director for his services as such shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

89. The Board may entrust to and confer upon a Managing Director or Executive Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and, in the case of a Managing Director, either collaterally with or to the exclusion of its own powers, and may from time to time revoke, withdraw, or vary all or any of such powers.

ALTERNATE DIRECTORS

90. Each Director shall have the power at any time to appoint to the office of an alternate Director either another Director or any other person approved for that purpose by a resolution of the Board, and, at any time, to terminate such appointment. Any such alternate is referred to in these Articles as an alternate Director.

91.(1) The appointment of an alternate Director shall automatically determine in any of the following events:

- (a) if his appointor shall terminate the appointment;
- (b) on the happening of any event which, if he were a Director, would cause him to vacate the office of Director;
- (c) if by writing under his hand left at the Office he shall resign such appointment;
- (d) if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.

(2) An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and, in place of his appointor, to vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present and generally to perform all functions as a Director of his appointor in his absence.

(3) An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not in respect of his office of alternate Director be entitled to receive any remuneration from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

(4) An alternate Director shall, during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor.

(5) Every appointment and removal of an alternate Director shall be in writing signed by the appointor and shall take effect (subject to any approval required by paragraph (1) of this Article) upon receipt of such written appointment or removal at the Office or by the Secretary.

(6) A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Board or any committee of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

PROCEEDINGS OF THE BOARD

92.(1) The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

(2) A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. Notice of the date, time and place of each

meeting of the Board shall, so far as practicable, be given to each Director at least twenty-four hours prior to such meeting and may be given personally, by telephone, telex, post or by such other means as the Board may approve from time to time. If all the Directors consent in writing a meeting of the Board may be held although no notice, or less than twenty-four hours' notice, of that meeting has been given. The accidental omission to give notice of any meeting of the Board to any Director entitled to receive the same, or the non-receipt of a notice of any such meeting by such a Director, shall not invalidate the proceedings at the meeting. It shall not be necessary to give notice of a meeting of the Board to any Director absent from the United Kingdom unless that Director shall have given to the Company an address in the United Kingdom at which notice can be served upon him.

93. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be one. For the purpose of determining whether the quorum for the transaction of the business of the Board exists:

- (1) in the case of a resolution agreed by Directors in telephonic communication, all such Directors shall be counted in the quorum;
- (2) in the case of a meeting of Directors, in addition to the Directors present at the meeting, any Director in telephonic communication with such meeting shall be counted in the quorum.

94. The Board may appoint and remove a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which they respectively are to hold office. If no such chairman or deputy chairman is appointed, or neither is present within five minutes after the time fixed for holding any meeting, the Directors present may choose one of their number to act as chairman of such meeting.

95. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board shall be as valid and effective as a resolution passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of such Directors but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

96. The Board may delegate any of its powers to committees consisting of one or more Directors as it thinks fit with power to sub-delegate to any of such persons. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and subject thereto shall be governed by the provisions of these Articles regulating the proceedings and meetings of the Board. The Board

may co-opt onto any such committee persons other than Directors, who may enjoy voting rights in committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are Directors.

97. All acts done by any meeting of the Board, or of a committee or sub-committee of the Board, or by any person acting as a Director or by an alternate Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

98. Without prejudice to Article 94, a meeting of the Board or of a committee of the Board may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word *meeting* in these Articles shall be construed accordingly.

99. The Board shall cause minutes to be made in books provided for the purpose:

- (1) of all appointments of officers made by the Board;
- (2) of the name of the Directors present at each such meeting of the Board and any committee of the Board;
- (3) of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.

Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

DISQUALIFICATION OF DIRECTORS

100. The office of a Director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a Director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- (c) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to this property or affairs; or
- (d) he resigns his office by notice to the Company; or
- (e) he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
- (f) he is requested in writing by all his co-Directors to resign.

101.(1) No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, or from being interested whether directly or indirectly in any contract or arrangement entered into by or on behalf of the Company. No such contract or arrangement in which any Director shall be so interested shall be avoided, nor shall any Director so contracting, or being so interested, be liable to account to the Company for any profit realised by him from such contract or the fiduciary relationship thereby established. A Director so interested in any contract or arrangement shall declare the nature of his interest in accordance with the provisions of the Act.

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

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

- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any Shares, debentures or other securities of the Company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such Shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange;
 - (d) the resolution relates in any way to a retirement-benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.
- (3) For the purposes of this Article, an interest of a person who is, for the purpose of the Act connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of an alternate Director without prejudice to any interest which the alternate Director has otherwise.
- (4) A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- (5) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any Company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (6) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
- (7) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

102.(1)A Director may be or become a director or other officer of any company promoted by the Company or in which the Company may be interested as vendor, member or otherwise, and no such Director shall (unless otherwise agreed) be accountable for any benefits received as director or other officer of such company.

(2) The Board may exercise the voting power conferred by the Shares in any company held or owned by the Company in such manner in all respect as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

(3) Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

REMOVAL OF DIRECTORS

103.. The Company may, pursuant and subject to the provisions of sections 303 and 304 of the Act by ordinary resolution, remove any Director (including a Managing Director) before the expiration of his period of office.

SECRETARY

104. Subject to the provisions of the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

105. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by it being done by or to the same person acting both as Director and as, or in place of, the Secretary.

THE SEAL

106. The Seal shall only be used by the authority of the Board or of a duly authorised committee of the Board. The Board may determine who shall sign any instrument to which the Seal is affixed and, unless otherwise determined, it shall be signed by at least two Directors or by one Director and the Secretary or some other person appointed by the Board for the purpose.

107. The Company may exercise the powers conferred by section 39 of the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Board.

ACCOUNTING RECORDS AND DIVIDENDS: BOOKS AND REGISTERS

108. The Directors shall cause accounting records to be kept and such other books and registers as are necessary to comply with the provisions of the Act.

109. The accounting records shall be kept at the Office or (subject to the provisions of the Act) at such other place in Great Britain as the Board thinks fit, and shall at all times be open to inspection by the officers of the Company. No member (other than an officer of the Company) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Act or authorised by the Board or by an ordinary resolution of the Company.

110. The Board shall in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Act.

111. A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and Auditors' reports shall, at least twenty-one days prior to the meeting, be delivered or sent by post to every member and to every debenture holder of the Company of whose address the Company is aware, or in the case of joint holders of any Share or debenture to one of the joint holders.

AUDIT

112. Auditors of the Company shall be appointed and their duties regulated in accordance with the Act.

113. The Auditors' report to the members made pursuant to the statutory provisions as to audit shall be read before the Company in general meeting and shall be open to inspection by any member, and in accordance with the Act every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and Auditors' report.

DIVIDENDS AND RESERVES

114. The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. Subject to the next following Article, the Company may by ordinary resolution declare dividends.

115. No dividend or interim dividend shall be payable except in accordance with the provisions of the Act which apply to the Company, or in excess of the amount recommended by the Board.

116. All dividends shall be declared and paid according to the amounts paid on the Shares in respect whereof the dividend is paid, but no amount paid on

a Share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or the next following Article as paid on the Share.

117. All dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date, such Share shall rank for or be entitled to dividend accordingly.

118. Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and in particular of fully paid Shares or debentures of any other company, and the Board shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board.

119. The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company, and the Board may also pay the fixed dividends payable on any Shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits in the opinion of the Board justify that course.

120. The Board shall transfer to Share premium account as required by the Act sums equal to the amount or value of any premiums at which any Shares of the Company shall be issued.

121. The Board may deduct from any dividend payable to any member or in respect of a Share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to Shares in the Company.

122. All dividends and interest shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the Register at the date at which such dividend shall be declared or at the date on which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of Shares.

123. The Board may pay the dividends or interest payable on Shares in respect of which any person is by transmission entitled to be registered as a holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such Shares.

124. No dividend or other moneys payable in respect of a Share shall bear interest against the Company. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company.

125. Any dividend may be paid by cheque or warrant sent through the post to the address in the Register of the member or person entitled thereto, and in the case of joint holders to any one of such joint holders, or to such person and to such other address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the member's risk, and payment of the cheque or warrant shall be a good discharge to the Company.

126. If several persons are entered in the Register as joint holders of any Share, any one of them may give effectual receipts for any moneys payable in respect of the Share.

CAPITALISATION OF PROFITS

127. The Board may with the authority of an ordinary resolution of the Company:

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

- (3) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of Shares or debentures becoming distributable under this regulation in fractions; and
- (4) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as full paid, of any Shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

128. Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his address in the Register. In the case of joint holders of a Share all notices shall be given to that one of the joint holders whose name stands first in the Register, and notice so given shall be sufficient notice to all the joint holders.

129. Any member whose address in the Register is not within the United Kingdom, who shall from time to time give to the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid, no member other than a member whose address in the Register is within the United Kingdom shall be entitled to receive any notice from the Company.

130. Any notice or other document, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is posted (by whatever class of post). In proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.

131. Any notice or document sent by post to, or left at the address in the Register of, any member in pursuance of these Articles shall, notwithstanding such member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as holder or joint holder thereof, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him, in such Share.

132. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any Shares shall be bound by every

notice in respect of such Share which, prior to his name and address being entered in the Register, shall have been duly given to the person from whom he derives his title to such Share.

WINDING UP

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

134. The power of sale of a liquidator shall include a power to sell wholly or partially Shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

INDEMNITY

135. Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from a liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

DISCOVERY

136. No member or meeting of members shall be entitled to discovery of, or any information respecting, any detail of the Company's operations or trading or any matter which may be or is in the nature of a trade secret, or which may relate to the conduct of the business of the Company, which in the opinion of the Board it would not be expedient in the interests of the members to communicate.

DESTRUCTION OF DOCUMENTS

137. The Company shall be entitled to destroy all instruments of transfer of Shares which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years

from the date of recording thereof and all Share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every Share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

- (1) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (2) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- (3) references herein to the destruction of any document include references to the disposal thereof in any manner.