

**HARRISON COWLEY 222 LIMITED**

Company No: 2858045

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**THE COMPANIES ACT 1985  
and  
THE COMPANIES ACT 1989**

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**COMPANY LIMITED BY SHARES**

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**WRITTEN RESOLUTION  
of  
Harrison Cowley 222 Limited**

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**SPECIAL RESOLUTION**

We, the undersigned, being the sole member of the above company, hereby in accordance with the Company's articles of association, pass the following Special Resolution:

THAT the articles of Association be altered in the following manner:

By the deletion of Articles 21.2, 21.3, 21.4 and 21.5.

For and on behalf of  
Harrison Cowley Limited



Authorised Signatory

7 Dated this 13 day of December 2002 2001



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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

SUBSTITUTED  
ARTICLES OF ASSOCIATION

of

MAWLAW 222 LIMITED

(Adopted by Special Resolution passed on 1994)

PRELIMINARY

- 1.1 In these articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended prior to the adoption of these articles.
- 1.2 The regulations contained in Table A will apply to the Company except in so far as they are excluded or varied in these articles.
- 1.3 The following regulations of Table A will not apply to the Company: 3, 5, 12, 14, 16, 23 to 25, 32, 34 to 55, 57, 60 to 62, 64 to 82, 84 to 98, 110 to 112 and 115. In addition to the remaining regulations of Table A as varied in these articles the following will be the articles of association of the Company.

INTERPRETATION

2. In these articles the following words and expressions shall have the following meanings:
- 2.1 In these articles the following words and expressions shall have the following meanings:

"the Accounts" the audited profit and loss account of the Company or, if the Company has any subsidiary undertakings, a consolidation of the audited profit and loss accounts of the Company and its subsidiary undertakings, for each financial year, being prepared:

- (a) under the historical cost convention; and, subject thereto
- (b) in accordance with generally accepted accounting principles and all applicable Statements of Standard Accounting Practice, Financial Reporting Standards and Urgent Issues Pronouncements to give a true and fair view of the assets

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and liabilities of the Company and its subsidiary undertakings as at the end of such financial year and of their profits or losses for such year, provided that, where the provisions of Article 25 apply as a result of the service of a notice of non-acceptance, then the Accounts for the relevant financial year shall mean the accounts showing the Adjusted Profits as determined in accordance with that Article;

"Acts"

the Companies Acts 1985 and 1989 and any re-enactment or amendments thereto;

"Adjusted Profits"

a sum equal to the profit of the Company (or, if the Company has any subsidiary undertakings the consolidated profit of the Company and its subsidiary undertakings) for the financial year in question, after tax and after accounting for the proportion of profits or losses attributable to minority interests in subsidiary undertakings and after exceptional and extraordinary items, but before any charge in respect of goodwill, and provided that, for the purpose of calculating the Adjusted Profits:

- (a) no charge against profit and loss account shall be made in respect of pension contributions relating to the Hall Harrison Cowley Pension and Life Assurance Scheme not actually paid and full use of all pension surplus in such scheme shall continue to be made in lieu of such contributions (so far as lawful);
- (b) to the extent that exceptional or extraordinary items in any one year comprise charges in respect of provisions or accruals an adjustment shall be made to adjust the difference between:-
  - (i) the provision or accrual included in the charge; and

- (ii) the cash amounts payable to third parties in respect of such provision or accrual in the 12 months following the date to which the Accounts in question have been made up;

(and in the event that such an adjustment is made, and payments to third parties are payable in any period subsequent to the 12 month period specified in (ii) above, in respect of such provision or accrual, Adjusted Profits for the financial period immediately preceding the period in which the subsequent payments are payable or, if earlier, for the financial period ending in 1998 shall be reduced by the amount of such subsequent payments); and

- (c) to the extent that any amount payable in respect of the disposal of any leasehold property or commitment in relation to any premises occupied by the Company and/or any of its subsidiaries represents an amount in excess of the aggregate of the rent for more than 3 years payable under the terms of the lease, licence or agreement relating to such leasehold property or commitment which would have been payable by the Company and/or its subsidiaries (as the case may be) but not for the avoidance of doubt any sums payable in respect of dilapidations or as a consequence of obligations to yield up the leasehold property or premises in a condition required under the terms of the lease, licence or agreement, an adjustment shall be made to add back the amount of such excess;

"Board"

the board of directors the Company from time to time;

"business day"

any day, not being a Saturday, Sunday or public holiday in England and Wales on which the clearing

	banks in the City of London are open for general business;
"Chairman"	the Chairman of the Board from time to time;
"Deferred Shares"	the Deferred Shares of £1 each in the capital of the Company;
"Deferred Shareholders"	the holders for the time being of issued Deferred Shares;
"Executive Director"	a director of the Company who is a full time employee of the Company or of one of its subsidiaries;
"financial year" and "financial period"	an accounting reference period (as defined by the Act) of the Company and its subsidiary or subsidiaries (if any);
"the Group"	the Company and any company which is a subsidiary of the Company, a holding company of the Company or a subsidiary of such holding company;
"The London Stock Exchange"	The International Stock Exchange of the United Kingdom and Republic of Ireland Limited;
"Member"	any holder for the time being of Shares whose name is registered in the Register of Members of the Company;
"Ordinary Shareholders"	the holders for the time being of issued Ordinary Shares;
"Ordinary Shares"	the Ordinary Shares of 12 pence each in the capital of the Company;
"Preference Shares"	the Convertible Redeemable Preference Shares of 0.001 of a penny each;
"the Preference Shareholders"	the holders for the time being of the issued Preference Shares;
"Quotation"	either of the following events:- (a) the effective admission of any part of the ordinary share capital of the Company to the Official List of the Stock Exchange or to trading on any other investment exchange; or

- (b) the unconditional grant of permission to deal in any part of the issued ordinary share capital of the Company in the Unlisted Securities Market of The Stock Exchange;

**"Realisation"**

either of the following events:-

- (a) the obtaining of a Quotation; or
- (b) the entering into of an agreement or connected agreements for a Sale where the agreement or agreements in question either is or are unconditional in all respects or (if originally conditional in any respect) is or are or has or have become unconditional in all respects);

**"Redemption Date"**

any Scheduled Redemption Date or any other date on which any Preference Shares become due for redemption in accordance with these Articles;

**"Sale"**

a sale or other transfer (other than a "Personal Transfer" within the meaning of Article 6.2(c)) of shares constituting a majority of the issued ordinary share capital of the Company or an issue of share capital in the Company resulting in a change of control of the Company (within the meaning of Section 416 of the Income and Corporation Taxes Act 1988) to any person not being a member of the Company at the date of adoption of these Articles or a sale of all or substantially all (or of a majority share in all or substantially all) of the assets and undertaking of the Company other than to one of the Company's wholly owned subsidiaries;

**"Scheduled Redemption Date"**

in respect of any financial year commencing with the financial year ending in 1995 and until the earlier of the date upon which all the Preference Shares have been redeemed and the day immediately following the Scheduled Redemption Date falling in 1999 shall mean the later of 31 March of that year or the date falling 30 days after approval and signature of the Accounts for the immediately preceding financial year

in accordance with the Act or 30 days after such Accounts are finally settled pursuant to Article 25, where applicable, or, if any such date is not a business day, the business day immediately following such date; and

"shares"

the Ordinary Shares, the Preference Shares and the Deferred Shares for the time being in the capital of the Company;

"subsidiary" and  
"holding company"

shall have the meanings set out in Section 736 of the Act and subsidiaries shall mean the subsidiaries of the Company from time to time (as defined in Section 736 of the Act);

Words importing the singular number also include the plural number and vice versa.

Words sporting the masculine gender also include the feminine gender.

References to persons shall include bodies corporate, unincorporated associations and partnerships.

Words and expressions defined elsewhere in these Articles shall bear the meaning thereby ascribed to them.

Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles.

Reference to any act or section or part of or schedule to any act shall include any act or provisions amending or replacing the same.

References to a share being fully paid are to a share being fully paid as to its nominal value and any premium payable on such share as a term of issue.

#### SHARE CAPITAL

- 3.1 The authorised share capital of the Company at the date of adoption of these articles is £12,184 divided into 900,000 Convertible Redeemable Preference Shares of 0.001 of a penny each ("the Preference Shares"), 100,000 Ordinary Shares of 12 pence each ("the Ordinary Shares") and 175 Shares of £1 each ("the Deferred Shares").
- 3.2 The Preference Shares, Ordinary Shares and Deferred Shares shall have, and be subject to, the following rights and restrictions:-

(A) Income

The Preference Shareholders shall not be entitled to any dividend in respect of their Preference Shares and the Deferred Shareholders shall be entitled to a fixed dividend in the sum of 1 penny per Deferred Share (exclusive of the associated tax credit available to shareholders) in respect of each year ending on 31st December and proportionately for any part of a year whether from the date of issue or otherwise.

(B) Capital

On a return of capital on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied:-

- (1) first, in paying to the Preference Shareholders the sum of 0.001 of a penny on each Preference Share held; and
- (2) second, in paying to the Ordinary Shareholders the sum of £50,000 on each Ordinary Share held; and
- (3) third, in paying to the Deferred Shareholders the sum of £1 on each Deferred Share; and
- (4) any surplus shall be paid to the holders of the Ordinary Shares pro rata according to their respective shareholdings.

(C) Redemption

- (1) Subject to the provisions of the Act and these Articles, the Company shall redeem out of distributable profits the following numbers of Preference Shares (or so many as then remain unredeemed) on the Scheduled Redemption Date in each of the years 1995 to 1999 inclusive such redemption to be at the sum of £1 per Preference Share.

<u>Year of Redemption</u>	<u>Number of Shares</u>
1995	200,000
1996	300,000
1997	400,000
1998	Any Preference Shares then remaining unredeemed.
1999	Any Preference Shares then remaining unredeemed.

provided that:

- (a) the maximum number of Preference Shares required to be redeemed in any of the years 1995 to 1999 inclusive shall not exceed a number equal to the product of the formula:-

$$\left[ \frac{40}{100} \times AP1 \right] + \left[ \frac{80}{100} \times AP2 \right] + \left[ \frac{90}{100} \times AP3 \right]$$

Where:

AP1 = one Preference Share for each £1 of the Adjusted Profits up to £150,000 for the immediately preceding financial year;

AP2 = one Preference Share for each £1 of the Adjusted Profits between £150,001 and £400,000 for the immediately preceding financial year; and

AP3 = one Preference Share for each £1 of the Adjusted Profits in excess of £400,000 for the immediately preceding financial year.

- (b) if the number of Preference Shares due for redemption on any of the dates specified in the table above is reduced by reason of the provisions of paragraph (a) above of this Article, the shortfall shall be carried forward and added to the number of Preference Shares due for redemption on the next succeeding Scheduled Redemption Date (subject always to the application of the restriction in paragraph (a) above in such subsequent year).
- (2) The Company shall on each of the Scheduled Redemption Dates redeem a proportion of the holding of each Preference Shareholder corresponding to the proportion which the number of Preference Shares falling due for redemption on that date bears to the number of Preference Shares issued and outstanding immediately prior to such date.
- (3) If the Company shall not have sufficient distributable profits (as defined by the Act) to redeem all or any of the Preference Shares falling due for redemption in accordance with Article 3.2(C)(1) or 3.2(C)(4) on any Redemption Date then subject always to the application of the restrictions set out in paragraph (1)(a)

above the Company shall redeem such number of Preference Shares (if any) as it can lawfully redeem out of distributable profits and subject always to the application of the restrictions set out in paragraph (1)(a) above shall redeem the balance on the next Scheduled Redemption Date (to the extent the Company shall then have sufficient distributable profits for such purpose).

- (4) Subject to the Act the Company shall in the event of a Realisation redeem the Preference Shares or so many of them as are outstanding.
- (5) The Company shall at any time have the right to redeem all or any of the Preference Shares for the time being outstanding. Provided that for the purpose of Article 3.2(C)(1) any Preference Shares redeemed pursuant to this Article shall be deemed to have been redeemed first out of the last tranche of Preference Shares which would fall due for redemption under Article 3.2(C)(1) and then out of the next to last tranche and so on in inverse order of their Scheduled Redemption Dates. The Company shall give not less than 30 days' written notice of redemption pursuant to this paragraph (5) to all Preference Shareholders' specifying the redemption date selected.
- (6) Upon or prior to any Redemption Date the holders of the Preference Shares concerned shall be bound to deliver to the Company at the Office the certificates for such of the shares concerned as are held by him or it in order that the same may be cancelled. Subject to the provisions of the Act and to such delivery, upon the due Redemption Date the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register of Members of the Company in respect of such shares) an amount equal to the nominal value of such shares together with any premium credited as paid up thereon. If any holder of Preference Shares some or all of whose shares have become due for redemption shall fail or refuse to deliver up the certificate for such shares, the Company may retain the redemption moneys until delivery of the certificate (or of any indemnity in respect thereof in a form reasonably satisfactory to the Company) but shall thereupon pay the redemption moneys to such holder. If any certificate

delivered to the Company includes any Preference Shares which are not to be redeemed on that occasion a fresh certificate for such shares shall be issued to the holder to deliver such certificate to the Company.

(D) Voting

Subject to any special rights or restrictions as to voting 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 representative shall have one vote and on a poll every member who is present in person or by a proxy or (being a corporation) by a representative shall have one vote for every share in the capital of the Company of which he is the holder Provided that whilst the Preference Shareholders and Deferred Shareholders shall be entitled to receive notice of, and attend, all general or other meetings of the Company none of them shall be entitled to vote at such meeting in respect of the Preference Shares or Deferred Shares held by them respectively.

(E) Conversion

- (1) In the event that on the Scheduled Redemption Date in the year 1999 the provisions of paragraph (C)(1)(b) or (C)(3) apply so that Preference Shares remain in issue, such remaining Preference Shares shall automatically be converted on the day following such Scheduled Redemption Date into Deferred Shares at the rate of one Deferred Share for each 100,00 Preference Shares.
- (2) Within 28 days after the date fixed for conversion, the Company shall send share certificates to the persons entitled in respect of the Deferred Shares arising upon conversion whereupon the certificates for the Preference Shares shall be deemed to be cancelled and of no further effect or value and the Company shall record the conversion appropriately in its Register of Members.

3.3 The shares will be under the control of the directors who, subject to the provisions of section 80 and sections 89 (1) and 90 of the Act and any resolutions of the Company in general meeting passed pursuant to them, may allot and dispose of or grant options over the same to any persons, and on any terms and in any manner as they think fit.

- 3.4 (a) Except as otherwise provided in these articles and subject to any renewal, revocation or variation of this authority by the Company in general meeting and to any election by the Company in accordance with section 80A of the Act, the directors are unconditionally authorised for the purpose of section 80 of the Act to allot, dispose of and grant options and rights of subscription or conversion over relevant securities (as defined in the Act) up to an aggregate nominal amount of £12,872 during the period expiring at the end of five years from the date of the adoption of these articles.
- (b) The Company may at any time before the expiry of the authority conferred under paragraph 3.5(a) above make an offer or agreement which would or might require relevant securities to be allotted pursuant to it after the expiry of that authority and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by it had not expired.
- (c) Sections 89(1) and 90 of the Act will apply to any allotment of equity securities (as defined in the Act) of the Company.
- 3.5 Subject to the provisions of the Act, any shares of a class within the capital of the Company as authorised from time to time may be issued on terms that they are to be, or at the option of the Company or a member holding such shares are liable to be, redeemed on such date or between such dates as the directors may fix before the issue of such shares and on such terms and conditions as are contained in or, as to the amount payable on redemption, determined in accordance with the articles of association of the Company.
- 3.6 The Company will have power to purchase its own shares (whether issued on the terms that they are to be, or are liable to be, redeemed or not) subject to the requirements of sections 162 to 170 (inclusive) of the Act.
- 3.7 The Company will have power to redeem or purchase its own shares out of capital subject to the provisions of sections 171 to 177 (inclusive) of the Act.
- 3.8 The following events will not constitute a variation of the rights attached to any class of shares unless the terms of issue of that class expressly provide otherwise or unless the provisions of sections 89 and 90 of the Act or of these articles are not followed:
- (a) the issue of shares of any class additional to shares of that class previously issued;

- (b) the creation or issue of shares of a different class to that (in the case where there is only one class of shares in issue) or to those (in any case where there are more than one class of shares in issue).

3.9 Except as required by law, and even when the Company has express notice, no person will 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 will not be bound by or recognise any interest in any share except an absolute right to the entirety of it in the holder.

3.10 The second sentence of regulation 6 in Table A shall be substituted by the following:-

"Every certificate shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the amount paid up thereon, and such a certificate signed by a director of the Company together with the secretary or a second director shall be evidence of the title of the registered holder to the shares, whether or not the common seal of the Company (i. it has one) has been affixed and regardless of any words in the certificate referring to a seal".

#### LIEN

4. The lien conferred by regulation 8 of Table A will also attach to fully paid-up shares registered in the name of any person indebted or under liability to the Company, whether he is the sole holder or is one of two or more joint holders of such shares.

#### CALLS ON SHARE.

5.1 Subject to the terms of allotment of shares the directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of the nominal value of the shares or by way of premium) that are not payable at fixed times under the terms of allotment.

5.2 Each member will within 14 days' notice to such effect pay to the Company as required by the notice the amount called on his shares. A call may be revoked or postponed in whole or part before receipt by the Company of any moneys due under it, as the directors may determine.

5.3 The holder of a share at the time a call is due to be paid will be the person liable to pay the call and in the case of joint holders they will be jointly and severally liable.

5.4 If any amount payable in respect of a share on allotment or at a fixed date (whether in respect of the whole or

part of the nominal value of the share or by way of premium) is not paid on the date on which by the terms of issue the same becomes payable, the relevant provisions of these articles and (insofar as applicable) Table A will apply as if that amount had become payable by virtue of a call duly made and notified.

#### TRANSFER AND TRANSMISSION

- 6.1 The instrument of transfer of shares must be in the usual form prescribed from time to time or, if none is so prescribed, then in the form (if any) determined by the directors. It will be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 6.2 (a) Subject to the provisions of paragraph 6.16 below no transfer of any shares or any interest in any shares will be made by any member unless and until the following provisions are complied with in respect of such transfer. No Preference Share or Deferred Share may at any time be transferred by any Member without the written consent of shareholders representing a majority of the Ordinary Shares for the time being in issue. Provided always that no such consent shall be required for a transfer of any Preference Share or Deferred Share by a member being a company to a member of the same group as the transferor company and provided further that unless such transferee group company re-transfers such shares to the original transferor prior to that transferee ceasing to be a member of the transferor's group of companies, a Transfer Notice shall be and shall be deemed to be served by such transferee group company at the time of ceasing to be such a group company and the following provisions shall apply.
- (b) For the purpose of ensuring that a particular transfer of shares or any interest in any shares is permitted under the provisions of these articles or the provisions of any written agreement between the members and/or that no circumstances have arisen whereby a Transfer Notice (as defined below) is required to be given hereunder, the Board may from time to time request the member or transferor or the person named as transferee in any transfer lodged for registration to provide the Company with such information and evidence as the Board may reasonably consider necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Board within 21 days after such request the directors shall be entitled to refuse to register the transfer in question or in the case there is no transfer in question, the directors shall be entitled to require by notice in writing that a Transfer Notice be given, and if such a request is

made a Transfer Notice shall be deemed to have been given, by the holder(s) of those shares in respect of all of such shares.

(c) For purposes of determining whether a "Sale" has occurred the term "Personal Transfer" means a transmission of Ordinary Shares to the personal representatives of a deceased shareholder upon his death or a transfer of Ordinary Shares by an individual to any one or more of the following:-

- (i) any trust the sole beneficiaries of which are any of such shareholder, his spouse or parents, and children or remoter issue (including stepchildren or adopted children) of such shareholder, his spouse or his parents;
- (ii) any company in which the shareholder owns not less than 75% of each class of equity share capital in issue; and
- (iii) any member of the Company being a member at the date of adoption of these Articles.

6.3 (a) Save in the circumstances referred to in paragraph 6.16 below and without prejudice to the provisions of paragraph 6.2(a) above, any member or person entitled to shares by reason of the death or bankruptcy of any member, who wishes to transfer any shares or any interest in any shares ("the Vendor") will give to the Company written notice of his intention ("a Transfer Notice"). Subject as hereinafter mentioned, a Transfer Notice will constitute the Company the Vendor's agent and attorney for the sale of the shares specified in the Transfer Notice ("the Sale Shares") at a price ("the Sale Price") specified by the Vendor in the Transfer Notice or if no price is specified in the Transfer Notice as may be agreed between the Vendor and the directors or, in the absence of any agreement, at the price determined by the expert in accordance with the provisions of paragraph 6.18. The fair value as so determined or agreed between the directors and the Vendor will constitute "the Sale Price".

(b) A separate Transfer Notice shall be served in respect of each class of shares comprised in the Specified Shares.

6.4 Except where the Transfer Notice is deemed to be given under paragraphs 6.2, 6.14, 6.15, 6.18 or 6.20 hereof, the Transfer Notice may contain a provision that, unless all the Sale Shares are sold pursuant to this Article 6 none will be sold and any such provision will be binding on the Company.

- 6.5 In the event that a Transfer Notice is given or deemed to be given under the provisions of paragraphs 6.2, 6.14, 6.15, 6.18 or 6.20, the Transfer Notice will be revocable only with the prior consent of the directors, who may impose such conditions for any consent as they think fit, including a condition that the Vendor bears all costs arising from the giving of such Transfer Notice and the revocation thereof.
- 6.6 (a) Upon the Sale Price being specified or agreed as stated above or being determined in accordance with Article 6.18, the Company will immediately by notice in writing ("the Offer Notice") offer the Sale Shares to the other members at the Sale Price and shall invite them to state in writing within three months after the date of the Offer Notice (which date shall be specified therein) ("the Acceptance Period") whether the member is willing to purchase any, and if so what number, of the Sale Shares.
- (b) If other members apply within the Acceptance Period for all or any of the Sale Shares the Company will allocate the Sale Shares or such of the Sale Shares as are applied for first to satisfy the applications made by members holding the same class of shares and secondly to satisfy applications made by any other Ordinary Shareholder and in the event of competition, such allocation(s) shall be made in proportion to the relevant member's then existing holding of shares in the capital of the Company as nearly as may be without involving fractions or increasing the number allocated to any applicant beyond that applied for by such applicant and the decision of the directors as to the allocation of such Sale Shares shall be final and binding on the Company and its members.
- (c) Any member who was offered Sale Shares and who has not applied for any of the Sale Shares within the Acceptance Period will be deemed to have declined.
- 6.7 If within the Acceptance Period all or any of the other members accept the offer of all or any of the Sale Shares ("the Applicants") the directors will (subject to the provisions of paragraph 6.4 if applicable) forthwith after the expiration of the Acceptance Period give notice in writing ("the Acceptance Notice") of such acceptance and the allocation of the Sale Shares amongst the Applicants in accordance with the provisions of paragraph 6.6 above ("the Transferees") to the Vendor and the Applicants and will specify in the Acceptance Notice the place and time (being not earlier than 7 and not later than 21 days after the date of the Acceptance Notice) at which the sale of the Sale Shares (or such of the Sale Shares as are applied for) to the Transferees will be completed.

- 6.8 The Vendor will be bound to transfer the Sale Shares (or (subject to the provisions of paragraph 6.4 if applicable) such of the Sale Shares as are applied for) to the Transferees at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares (or such of the Sale Shares as are applied for) will be made by the Transferees to the Company as agent for the Vendor. If the Vendor fails to transfer the Sale Shares (or such of the Sale Shares as are applied for) at the time and place specified in the Acceptance Notice the chairman of the Company or failing him the Company Secretary will be deemed to have been appointed attorney for the Vendor with full power to do all such things and to execute and authorise all such documents as may be necessary or desirable to effect such a transfer including, without limitation, to execute, complete and deliver, in the name of and on behalf of the Vendor, a transfer of the Sale Shares (or such of the Sale Shares as are applied for) to the Transferees against payment of the Sale Price. On payment to the Company of the Sale Price and of the relevant stamp duty payable in respect of the transfer to the Company the Transferees will be deemed to have obtained a good discharge for such payment and on execution and delivery of the transfer(s) the Transferees will be entitled to insist upon their respective names being entered in the register of members as the holders by transfer of, and to be issued with share certificates in respect of, the Sale Shares (or such of the Sale Shares as are applied for). After the names of the Transferees have been entered in the register of members in exercise of the above-mentioned powers the validity of the proceedings will not be questioned by any person.
- 6.9 The Company will be trustee for any moneys received as payment of the Sale Price from the Transferees and will (except in the case of forfeiture pursuant to regulation 18 of Table A) promptly pay them to the Vendor (subject to applying the same on his behalf in settling any fees or expenses falling to be borne by the Vendor and (in the case of a sale pursuant to regulation 9 of Table A) subject to applying the same pursuant to regulation 11 of Table A) together with any balance certificate to which he may be entitled.
- 6.10 If by the expiry of the Acceptance Period the offer for the Sale Shares at the Sale Price has not been accepted or is accepted in part only by the Transferees or if any of the Sale Shares allocated are not paid for by the proposed Transferees on the date for completion specified in the Acceptance Notice then the directors will have the right to nominate a purchaser of such Sale Shares who is not already a member but whom they consider to be suitable for admission to membership of the Company and who will and does pay the Sale Price. Within three months of the date of the Acceptance Notice, the procedures set out in paragraph 6.8 will be applied to any transfers of shares under this paragraph PROVIDED

ALWAYS that if there is included in the Transfer Notice a provision that unless all the Sale Shares are sold, none will be sold, then the notice under paragraph 6.6 (a) and this paragraph will refer to such a provision and will be construed accordingly, and completion of the transfers of the Sale Shares in accordance with paragraph 6.9 and this paragraph will be conditional upon that provision being complied with in full.

- 6.11 If by the expiry of the Acceptance Period the offer for the Sale Shares at the Sale Price has not been accepted or is accepted in part only by the Transferees or if any of the Sale Shares allocated are not paid for by the proposed Transferees on the date for completion specified in the Acceptance Notice and if no purchaser is nominated under the provision of paragraph 6.10 above, or having been nominated, fails to complete the purchase accordingly, then the Vendor for a period of 13 weeks thereafter will be entitled to transfer all or any of such of the Sale Shares as are not the subject of acceptances or paid for, to any other person or persons but only if the directors are reasonably satisfied that such a sale is bona fide and that the true consideration paid is no lower than the Sale Price and subject always to the provisions of paragraph 6.12 below PROVIDED ALWAYS that if the Vendor has in accordance with the provisions of paragraph 6.4 (but not otherwise) included in the Transfer Notice a provision that unless all the Sale Shares are sold, none may be sold, then the notice under paragraph 6.6(a) and this paragraph will refer to such a provision and will be construed accordingly, and the Vendor will not be entitled, except with the consent of the directors, to sell under this paragraph only some of the Sale Shares to such person or persons.
- 6.12 A majority of two thirds of the directors who are also Members may, subject to the provisions of paragraph 6.16 and the permitted transfer right of Preference Shareholders set out in paragraph 6.2(a), in their absolute discretion and without giving any reason, decline to register any transfer of any share whether or not it is a fully paid share.
- 6.13 The directors may also refuse to register a transfer unless:
- (a) it is lodged at the registered office or at another place determined by the directors, and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show that the transferor is the holder or a person entitled to execute the transfer under paragraph 6.15 below; and
  - (b) it is in respect of only one class of shares; and
  - (c) it is in favour of not more than four transferees;

If the directors refuse to register a transfer of a share they will within one month after the date on which the transfer was lodged with the Company send to the purporting transferor and the intended transferee notice of the refusal.

- 6.14 Any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to another person will for the purposes of this Article 6 be deemed except in the case of a transfer permitted by paragraph 6.16 below to constitute service of a Transfer Notice and the provisions of this Article 6 will apply accordingly.
- 6.15 Save in respect of any transfer permitted by paragraph 6.16 below in the event of the death of any member, or if any member becomes bankrupt, or if a receiver is appointed having the power of sale over the property of a member, (or, being a corporate member, goes into liquidation or suffers the appointment of an administrator or an administrative receiver) the legal personal representative, trustee in bankruptcy, liquidator, receiver, administrative receiver or administrator (as the case may be) will, if and when called upon by the directors to do so, give and be deemed to have given a Transfer Notice in respect of all the shares that are registered in the member's name and subject to paragraph 6.18 the provisions of this Article 6 will apply accordingly.
- 6.16 Subject to the provisions of paragraphs 6.2(b) and 6.13 the restrictions on transfer contained in this Article 6 will not apply to any transfer by a Member to any other person with the written consent of the holders (excluding such Member and such other person) for the time being of 90% of the aggregate of the Ordinary Shares or to any transfer by the holder of the Preference Shares (being a company) in accordance with the provisions of Article 6.2(a). Subject to the provisions of paragraphs 6.2(b) and 6.13 the directors will register any transfer which falls within this paragraph 6.16.
- 6.17 (A) Subject to paragraph 6.17(D) below, no sale or transfer of any shares ("the Relevant Shares") conferring the right to vote at General Meetings of the Company which would result if made and registered in a person or persons (and any person or persons acting in concert with him or them) not being the holder of any shares at the date of adoption of these Articles obtaining control of the Company shall be made or registered ("a Relevant Transfer") unless the Relevant Transfer shall comply with the provisions of paragraph (B) below and unless, before the transfer is lodged for registration, the proposed transferee or transferees or his or their nominees has or have made a written offer (a "Written Offer") on the

terms and satisfying the conditions set out in paragraph (B) below to all the holders of the Ordinary Shares (stipulated to be open for acceptance for a period of not less than 28 days and with adequate security as to the performance of its obligation) to purchase all such shares not comprised in the Relevant Shares and to complete the purchase of all the shares in respect of which such offer is accepted at the same time as the sale of the Relevant Shares is completed.

(B) The Written Offer referred to in paragraph (A) above must satisfy all of the following conditions:-

- (i) The price per share offered for each Ordinary Share must be at least the par value of such Share;
- (ii) The aggregate of the amount offered for the Ordinary Shares shall be offered on the basis that it is apportioned pro rata amongst that class of shares and the price offered for each of the Ordinary Shares pursuant to the Written Offer shall in each case be at least equal to the highest price per share offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Relevant Shares (or for any shares acquired by the same transferee or transferees (and any person or persons acting in concert with him or them) in that or any related transaction) together with an amount equal to the relevant proportion of any other consideration (in case or otherwise) received or receivable by the holders of the Relevant Shares (or any such shares as aforesaid) which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Relevant Shares (or any such shares as aforesaid) ("the Specified Price") and in the event of disagreement the calculation of the Specified Price shall be referred to a chartered accountant (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding.

(C) For the purpose of this Article 6.17

- (1) the expression "control" shall mean the

holding of shares conferring in the aggregate 50% or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote on all resolutions proposed at all general meetings;

- (2) the expression "persons acting in concert" shall mean any person or persons who pursuant to an agreement or understanding (whether formal or informal) actively co-operate with each other through the acquisition by any of them of shares in the Company to obtain control of the Company and, without prejudice to the generality of the foregoing, persons shall for the purposes of this paragraph 6.17 be deemed to be persons acting in concert with a transferee:
- (a) if the transferee is a body corporate, any director of or shareholder in the transferee or any person who in relation to such director or shareholder is a connected person;
  - (b) any person who in relation to the transferee is a connected person; and
  - (c) if the transferee is a body corporate, any body corporate which in relation to the transferee is a subsidiary, a holding company, a subsidiary of a holding company or an associated company

and the expression "acting in concert" shall be construed accordingly;

- (3) whether any person is a "connected person" shall be determined in accordance with Section 839 of the Income and Corporation Taxes Act 1988 (provided that a person shall not be deemed to be connected with another person for this purpose by reason only that they are both shareholders of the Company);
- (4) the expressions "subsidiary" and "holding company" shall have the meanings ascribed to them respectively by Section 736 of the Act;
- (5) the expression "associated company" means a body corporate in which a transferee or any subsidiary of a transferee holds shares conferring the right to 10 per cent or more

of the votes which could be cast on a poll at a general meeting of such body corporate and which is not a subsidiary; and

- (6) the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment.

6.18 In relation to any deemed Transfer Notice under the provisions of paragraphs 6.2, 6.14, 6.15 or 6.20:

- (a) the directors shall serve notice on all the members (including the Vendor) notifying them of the deemed Transfer Notice;
- (b) the Sale Price shall be such price as shall be agreed in writing between the Vendor and the directors or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 14 days after the service of notices pursuant to paragraph (a) the Sale Price will be determined by an independent Chartered Accountant of not less than five years standing ("the Expert") who shall be nominated by agreement between the Vendor and the directors or failing such nomination within 14 days after the request of the Vendor or the directors to the other therefore nominated at the request of any member by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Sale Price will be the open market value of the Sale Shares as determined and certified by the Expert on the assumptions and bases set out below and in so determining and certifying the Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members.

The Expert will certify the open market value of the Sale Shares as at the date that the Transfer Notice is given or deemed to have been given on the following assumptions and bases:-

- (i) valuing the Sale Shares as on arm's length sale between a willing vendor and a willing purchaser;
- (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so; and
- (iii) not taking into account that the Sale Shares constitute a majority or a minority interest but taking into account (if it be the case) any special rights or liabilities attaching to them (or to which they are

subject) by virtue of these articles or by virtue of any other agreement to which the Vendor may be subject;

and the Sale Price shall be such open market value as is certified by the Expert. If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit.

- (c) The Company will use its best endeavours to procure that the Expert determines the Sale Price within 21 days of being requested to do so.
- (d) The Transfer Notice shall be irrevocable and the Expert's determination will be binding upon all parties.
- (e) The cost of obtaining the written determination will be borne by such person(s) (including the Company, if lawful) as the Expert may in his absolute discretion decide
- (f) In the absence of fraud, the Expert will be under no liability to any person by reason of his determination or for anything done or omitted to be done by him for the purpose thereof or in connection therewith

6.19 Without prejudice to the ability of the members to amend these or adopt new Articles of Association in accordance with the provisions hereof and/or of the Act (subject always to the restriction on and provisions relating to any such amendment or adoption contained in these articles), with the consent in writing of all the members from time to time of the Company who are entitled to vote the provisions of this Article 6 may be waived in whole or in part in any particular case.

6.20 If any director or other employee of the Company who is also a shareholder in the Company ceases to be employed by the Company, save as a result of

- (a) retirement at normal retirement age;
- (b) illness; or
- (c) unfair or wrongful dismissal (as agreed in writing) by the Company and the person concerned or in the absence of agreement as determined by a Court or Industrial Tribunal of competent jurisdiction

he may be required by the directors at any time thereafter to serve a Transfer Notice (and if so required in writing shall be deemed to have served a Transfer Notice) in respect of some or all of the shares held by him, and subject to the provisions of paragraph 6.18 above the provisions of this Article 6 shall apply.

#### ALTERATION OF SHARE CAPITAL

- 7.1 The Company may by ordinary resolution:
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
  - (c) 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
  - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.
- 7.2 Subject to the provisions of the Act, the Company may by special resolution reduce its issued share capital, any capital redemption reserve and any share premium account in any way.

#### GENERAL MEETINGS

- 8.1 All general meetings other than annual general meetings will be called extraordinary general meetings.
- 8.2 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, will immediately proceed to convene an extraordinary general meeting for a date not later than 28 days after the date of the notice convening the meeting. If there are insufficient directors within the United Kingdom to call a general meeting, any director or any member of the Company may call a general meeting.

#### NOTICE OF GENERAL MEETINGS

- 9.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution will be called by at least 21 clear days' notice. All other general meetings will be called by at least 14 clear days' notice, but a general meeting may be called by shorter notice if it is agreed:
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote or their duly appointed proxies;

- (b) (subject to any elective resolution for the time being in force under section 3/9A of the Act) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 9.2 The notice will specify the time and place of the meeting and the nature of the business to be transacted and, in the case of an annual general meeting, will specify the meeting as such.
- 9.3 Subject to the provisions of these articles and to any restrictions imposed on any shares, the notice will be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors of the Company.
- 9.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice will not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

- 10.1 No business will be transacted at any meeting unless a quorum is present. A quorum will be six persons entitled to vote upon the business to be transacted, each being either a member or a proxy for a member or, in the case of a corporate member, a duly authorised representative of that corporation or, if less, the number from time to time of Ordinary Shareholders.
- 10.2 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of members, will be dissolved. In any other case, the meeting will be adjourned to such other day and such other time and place as the directors may determine and if at the adjourned meeting a quorum is not present or ceases to be present then the member or members present will be a quorum.
- 10.3 The chairman, if any, of the board of directors or, in his absence, another director nominated by the directors, will preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present will elect one of their number to be chairman and, if there is only one director present and willing to act, he will be chairman. If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote may choose one of their number to be chairman.

10.4 A director, despite his not being a member, is 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.

10.5 The chairman may (and must if so directed by the meeting), adjourn the meeting from time to time and from place to place in the following circumstances:

- (a) with the consent of a meeting at which a quorum is present;
- (b) where in his unfettered judgment it is impossible for all the members present to take part in the debate and to vote;
- (c) in the event of his considering that disorder is occurring.

No business may be transacted at any 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 14 days or more, at least 7 clear days' notice must be given specifying the time and the place of the adjourned meeting and the nature of the business to be transacted. Otherwise it will not be necessary to give any such notice.

10.6 A resolution put to the vote of a meeting will be decided on a show of hands unless before or on declaration of the result of the show of hands, a poll is duly demanded.

Subject to the provisions of the Act, a poll may be demanded:

- (a) by the chairman; or
- (b) by at least two members having the right to vote at the meeting; or
- (c) by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares conferring the 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 will be the same as a demand by the member.

10.7 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- 10.8 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman. A demand so withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 10.9 A poll will be taken as directed by the chairman 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 will be deemed to be the decision of the meeting at which the poll was demanded.
- 10.10 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman will be entitled to a casting vote in addition to any other vote he may have.
- 10.11 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken either immediately or at a time and place directed by the chairman which may not be more than 30 days after the poll is demanded. The demand for a poll will not prevent the meeting continuing for the transaction of any business other than a 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 with the consent of the chairman, the meeting will continue as if the demand had not been made. No notice need be given of a poll not taken immediately 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 7 clear days' notice must be given specifying the time and place at which the poll is to be taken.
- 10.12 A resolution in writing signed by all the members of the Company entitled to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, will, subject to the provisions of the Act, be as valid and effective as if it had been passed at a general meeting of the Company properly convened and held whether such resolution would otherwise be required to be passed as a special, extraordinary or elective resolution. Any such resolution may be contained in one document, or in several documents in the same terms, each signed by one or more of the members or their proxies, or attorneys. Signature of documents sent by facsimile will be valid and acceptable under this paragraph. Signature in the case of a corporate member will be sufficient if made by a director of such member or by its duly authorised representative.

#### VOTES

- 11.1 The provisions of Article 3.2(D) shall apply.

- 11.2 No member will be entitled to vote at any general meeting, or at any separate meeting of the holders of any class, unless all calls or other sums presently payable by him in respect of shares of the Company have been paid.
- 11.3 On a poll, votes may be given either personally or by proxy or by corporate representative. A member may not appoint more than one proxy and a corporate member may not appoint more than one representative to attend on the same occasion.
- 11.4 An instrument appointing a proxy must be in writing, executed by or on behalf of the appointor (if a corporation, under the hand of a duly authorised officer of the corporation) and be in a form determined by the directors or, failing such determination, in any usual form.
- 11.5 The instrument appointing a proxy and any authority under which it is executed, or a copy of that authority certified notarially, or in some other way approved by the directors may:
- (a) be deposited at the registered office of the Company, or at another place within the United Kingdom specified by the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 1 hour before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as stated above after the poll has been demanded and not less than 1 hour before the time appointed for the taking of the poll; or
  - (c) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director or deposited as stated above after the poll has been demanded but not less than 1 hour before the time appointed for the taking of the poll;

and an instrument of proxy which is not deposited or delivered in the manner permitted above will be invalid.

- 11.6 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders; and seniority will be determined by the order in which the names of the holders stand in the register of members.

#### VARIATION OF RIGHTS

- 12.1 Whenever the capital of the Company is divided into different classes of shares, the rights or privileges attached to any class may (unless otherwise provided by the terms of issue of the shares of that class, be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of a three fourths in nominal amount of the issued shares of the class, or with the sanction of an Extraordinary resolution passed at a separate general meeting of such holders (but not otherwise).
- 12.2 For the purposes of paragraph 12.1 above all the provisions of these articles relating to general meetings shall, mutatis mutandis, apply to every separate general meeting of the holders of each class of shares, except that:
- (a) unless there is only one holder of such class of shares, the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, those members who are present in person or by proxy, whatever their holdings; and
  - (b) the holders of shares of the class in question shall, on a poll, have one vote in respect of every share of the class held by them respectively.
- 12.3 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of some of such shares or in these articles, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.
- 12.4 Without prejudice to the generality of this Article, it is a term of issue of the Preference Shares that the rights attached to such shares shall be deemed to be varied by the occurrence of any of the following events:-
- (a) any reduction of the authorised or issued capital of the Company or any subsidiary (as defined in Section 736 of the Act) of the Company or any alteration or variation of any of the rights attached to or any redemption or purchase by the Company or any subsidiary of any of the shares for the time being in the capital of the Company or any subsidiary, or any transfer or other disposal by the Company or any subsidiary of any shares in or securities of any subsidiary; or
  - (b) any resolution for the reduction of the share capital of the Company or any subsidiary of any uncalled liability in respect thereof; or

- (c) any resolution (whether pursuant to Part II of the Act or otherwise) other than one required in connection with or as a consequence of a Realisation whereby the classification or status of the Company or any subsidiary may be changed; or
- (d) any alteration of the Memorandum of Association or Articles of Association of the Company or any subsidiary; or
- (e) any resolution to wind up the Company or any subsidiary (other than a resolution to wind up a subsidiary in connection with a solvent reconstruction or amalgamation under which its assets are acquired by the Company or another wholly owned subsidiary); or
- (f) the declaration or payment of any dividend or other distribution in respect of the Ordinary Shares; or
- (g) any change of the accounting reference date of the Company or any subsidiary.

#### NUMBER OF DIRECTORS

13. Unless and until the Company by special resolution determines otherwise, the number of directors will be not less than two. Provided that if and so long as there is only one director in office he may act alone in exercising all the powers and authorities vested in the board of directors.

#### ALTERNATE DIRECTORS

- 14.1 Each director will have power by writing to nominate either another director, or any other person willing to act and approved for the purpose by a resolution of the directors, to act as his alternate director. He may also at his discretion remove his alternate director by notice in writing to the Company. An alternate director will have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally in the absence of his appointor to exercise and discharge all the functions, powers and duties of his appointor.
- 14.2 Except as otherwise provided in these articles, the alternate director will, during his appointment, be deemed to be a director for the purposes of these articles. He will not be deemed to be an agent of his appointor, and will alone be responsible to the Company for his own acts or defaults and will be entitled to be indemnified by the Company to the same extent as if he were a director.

- 14.3 An alternate director will not, in respect of his office of alternate director, be entitled to receive any remuneration from the Company nor to appoint another person as his alternate. The appointment of an alternate director will automatically determine if his appointor ceases for any reason to be a director, or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the Company he resigns his appointment.

#### POWERS OF DIRECTORS

- 15.1 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 will be managed by the directors who may exercise all the powers of the Company. No alteration of such memorandum or articles and no such direction will invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 15.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for any purposes and on any conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 15.3 The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the Company, or of any Company which is or was a subsidiary of the Company or allied to or associated with the Company or any such subsidiary, or of any of the predecessors in business of the Company or of any such other Company as stated above, and the spouses, widows, widowers, families and dependants of any such persons, and make payments to, for or towards the insurance of or provide benefits otherwise for any such persons as stated above.
- 15.4 The remuneration of non-executive directors will be fixed by the Board and, unless otherwise resolved, shall be deemed to accrue from day to day.

#### DELEGATION OF DIRECTORS' POWERS

16. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office any of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose and may be revoked or altered.

Subject to any such conditions, the proceedings of a committee with two or more members must be governed by the articles regulating the proceedings of directors, so far as they are capable of applying.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

- 17.1 The Company by ordinary resolution may appoint another person in place of a director removed from office by resolution of a general meeting, and without prejudice to the powers of the directors under the next following regulation, may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 17.2 The directors may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these articles as the maximum number of directors.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 18.1 The office of a director must be vacated in any of the following events namely:
- (a) if, by notice in writing to the Company, he resigns his office;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
    - (ii) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
  - (d) if he ceases to be a director by virtue of any provision of the Act, or he becomes prohibited by law from being a director;
  - (e) if he is absent from meetings of the Board for six successive months without leave, unless prevented by illness, unavoidable accident or other cause which may seem to the other members of the Board

to be sufficient, and his alternate director (if any) has not during this period attended in his place, and the directors resolve that his office should be vacated.

- 18.2 No director will vacate his office or become ineligible for appointment or re-appointment as a director by reason only of his having attained any particular age, nor will special notice be required of any resolution appointing or approving the appointment of such a director, or any notice be required to state the age or the person to whom such a resolution relates.

#### DIRECTORS' APPOINTMENTS AND INTERESTS

- 19.1 The directors may from time to time appoint one or more of their body to be the managing director, or to hold another office in the management, administration or conduct of the business of the Company for any period (subject to section 319 of the Act) and on terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke that appointment. Subject to the terms of any such agreement, a managing director or a director appointed to any other office as stated above will be subject to the same provisions as to resignation and removal as the other directors of the Company and will automatically and immediately cease to be the managing director or to hold any other office in the management, administration or conduct of the business of the Company if he ceases to hold the office of director for any reason but without prejudice to any claim for damages for breach of any contract of service between the director and the Company.
- 19.2 The remuneration of the managing director or any director who may be appointed to any other office in the management, administration or conduct of the business of the Company will from time to time (subject to the provisions of any agreement between him and the Company) be fixed by the directors. It may comprise fixed salary, or commission on the dividends, profits, sales or turnover of the Company, or of any other Company in which the Company is interested, or other participation in any such profits, or by way of or provision for a pension or pensions for himself or his dependants, or by all or any of these modes, and (subject as stated above) the remuneration fixed will be additional to any ordinary remuneration to which he may be entitled as a director of the Company.
- 19.3 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director despite his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company, or in which the Company is otherwise interested; and
- (c) will not as a consequence of his office be held accountable to the Company for any benefit which he derives from any such office or employment, or from any such transaction or arrangement, or from any interest in such body corporate; and no such transaction or arrangement may be avoided on the ground of any such interest or benefit.

19.4 For the purposes of paragraph 19.3:

- (a) a general notice given to the directors by a director, that he has an interest of a specified nature and extent in any transaction or arrangement in which a specified person or class of persons is interested will be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge, will not be treated as an interest of his.

PROCEEDINGS OF DIRECTORS

- 20.1 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director will, call a meeting of the directors. Questions arising at a meeting will be decided by a majority of votes. In the case of an equality of votes, the chairman will not have a second or casting vote. A director who is also an alternate director will be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 20.2 Subject to paragraph 20.3 notice of the time, place and purpose of every meeting of the directors must be given to every director and to his alternate (if any). However, the non-receipt of notice by any director or alternate director will not invalidate the proceedings of the directors. Unless a majority of the directors indicate their willingness to accept shorter notice of a meeting of directors, at least seven days' notice of a meeting of the directors must be given, except in the case of emergency. Every notice of a meeting of the directors required to be given under these articles may be given orally (personally or by telephone) served personally or sent by prepaid letter post, cable, telex, telegram, confirmed facsimile or tele-message to the address for the time being supplied for the purpose to the secretary of the Company.

- 20.3 Any director for the time being absent from the United Kingdom will if he so requests, be entitled to be given notice as prescribed herein of meetings of the directors to such address, if any, as the director may from time to time notify to the Company but, except as stated above, it will not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.
- 20.4 The quorum necessary for the transaction of the business of the directors may be fixed by the directors and, unless fixed, will be (as long as there is more than one director in office) be four persons. An alternate director who is not himself a director will, if his appointor is not present, be counted towards the quorum. If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting will be adjourned to such other day (not being earlier than 7 days later, save in the case of emergency) and such other time and place as the Chairman may determine and if at the adjourned meeting a quorum is not present or ceases to be present then the director or directors present will be a quorum.
- 20.5 The continuing directors or a sole continuing director may act despite any vacancies in their number. However, if the number of directors is less than the number fixed as the quorum, they or he may act only for the purpose of filling vacancies or of calling a general meeting.
- 20.6 The directors may elect one of their number to be chairman of the board of the directors and may at any time remove him from that office. If there is no director holding that office, or if the director holding it, being entitled to and having been given notice of the meeting of directors, is not present within five minutes after the time appointed for it, the directors present must appoint one of their number to be chairman of that meeting.
- 20.7 A meeting of the directors may, subject to notice of it having been given or dispensed with in accordance with these articles, be for all purposes deemed to be held when a director is, or directors are, in communication by telephone, television or some other audio visual medium with another director or other directors provided always that the number of the said directors participating in the communication constitutes a quorum of the board as stipulated by these articles. A resolution made by a majority of the said directors in pursuance of this paragraph 20.7 will be as valid as it would have been if made by them at an actual meeting duly convened and held.
- 20.8 A resolution in writing, signed or approved by letter, telegram, confirmed facsimile, tele-message or telex by all the directors will be as valid and effective as if it had been passed at a meeting of directors, or (as the

case may be), a committee of directors duly convened and held. The resolution may consist of several documents in the same terms each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

- 20.9 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director will, despite that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office, or had vacated office, or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 20.10 A director who is in any way either directly or indirectly interested in a contract or arrangement, or proposed contract or arrangement, with the Company must declare the nature of his interest at a meeting of the directors in accordance with section 317 of the Act. Subject to such a disclosure, a director will be entitled to vote in respect of any contract or arrangement in which he is interested and if he does so, his vote will be counted and he may be taken into account in ascertaining whether a quorum is present.
- 20.11 A director may not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

#### BORROWING POWERS

- 21.1 Subject to the provisions of this Article the directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.
- 21.2 ~~The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to procure (as regards subsidiaries so far as by such exercise they can procure) that the aggregate amount owing by the Company and all its subsidiaries in respect of moneys borrowed by them or any of them (exclusive of moneys owing by the Company to any of its wholly-owned subsidiaries or by any of its subsidiaries to the Company or another of its wholly-owned subsidiaries) shall not at any time without both the previous sanction of the Company in General Meeting and the consent or sanction of the holders of the Preference Shares in accordance with Article 12 exceed an amount equal to one-sixth of the amount of consolidated turnover of the Company and its subsidiaries as shown by~~
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the Accounts for the most recent financial year for which Accounts are available, after provision for the proportion of such turnover attributable to minority interests in subsidiaries.

21.3 For the purposes of this Article, the expression "moneys borrowed" includes the following, except insofar as otherwise taken into account:-

- (a) The principal amount (together with any fixed or minimum premium payable on final repayment) owing by the Company or any of its subsidiaries under any debenture, debenture stock, bond or other security whether constituting a charge over the assets of such company or not, and whether issued for cash or otherwise;
- (b) The principal amount owing by the Company or any of its subsidiaries under any acceptance credit opened on its behalf by any bank, acceptance house or finance company other than acceptances relating to the purchase or sale of goods in the usual course of trading;
- (c) The principal amount owing by the Company or any of its subsidiaries in respect of any loan or advance from, or overdraft facility with, any bank, acceptance house or finance company and the amount advanced to the Company or any of its subsidiaries from time to time in consideration for or against the security of book debts of the Company or such subsidiary remaining uncollected pursuant to any factoring or equivalent arrangement under which the party advancing such money has recourse to the Company or such subsidiary in respect of debts not collected and the principal amounts for which the Company or any subsidiary is or may be liable pursuant to any similar financing arrangement;
- (d) The principal amount owing by the Company or any of its subsidiaries under or in respect of any hire purchase agreement, finance lease (as defined in Statement of Standard Accounting Practice 21), conditional sale agreement, credit sale agreement or other agreement of a similar nature;
- (e) The nominal amount (including any fixed or minimum premium payable on final repayment) or any issued share capital of any other company and the principal amount of any borrowings of any other company (together, in each case, with any fixed or minimum premium payable on final repayment) the redemption or repayment of which is guaranteed or secured by or is the subject of an indemnity given by the Company or any of its subsidiaries and the beneficial interest in which is not owned by the Company or one of its wholly owned subsidiaries;

But shall not include:-

- (f) Borrowings which are made for the express purpose of repaying the whole or any part of moneys borrowed falling to be taken into account for the purpose of this Article (including any fixed or minimum premium payable on final repayment) and which are to be applied for that purpose within one month of being first borrowed (in which event they shall thereafter be treated as moneys borrowed falling to be taken into account for the purpose of this Article);
- (g) A proportion of the borrowings of any partly owned subsidiary (but only to the extent that an amount equivalent to such proportion exceeds the amount of any borrowings from such partly owned subsidiary by the Company or another of its subsidiaries) such proportion being the proportion of the issued equity share capital of such partly owned subsidiary the beneficial interest in which is not owned directly or indirectly by the Company or another of its subsidiaries;
- (h) Borrowings by the Company or any of its subsidiaries for the purpose of financing any contract for the sale of goods to the extent that the purchase price receivable under such contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or any other company firm or institution carrying on similar business;
- (i) (for the avoidance of doubt) the Preference Shares and any redemption moneys (including any premium on redemption) payable in respect of the Preference Shares; and
- (j) any other borrowings, debts due or monies owing by the Company not specified in paragraphs (a) to (e) above inclusive;

and so that:-

- (k) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the London spot buying rate for such currency as quoted at about 11 a.m. on the day in question by Barclays Bank PLC;
- (l) any company which it is proposed shall become or cease to be a subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a subsidiary.

21.4 ~~A certificate by the Auditors for the time being of the Company as to the aggregate amount of moneys borrowed which may at any one time in accordance with Article 21.2 be owing by the Company and its subsidiaries without such~~

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sanction as is provided for in that Article, or as to the actual amount of moneys borrowed at any time shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

- 21.5 No liability or security given in respect of moneys borrowed in excess of the limit imposed by Article 21.2 shall be invalid or ineffectual except in the case of express notice (at the time when the liability was incurred or security given) that the limit had been or was thereby exceeded.

#### DIVIDENDS

- 22.1 The following sentence will be added to the end of Regulation 104 of Table A:

"The person entitled to any dividend will be the holder (as defined in Table A) of the share upon the date determined by the resolution declaring the dividend (or in the case of any interim dividend, determined by the directors) in respect of that share."

- 22.2 The directors may deduct from any dividend payable on or in respect of a share all sums of money presently payable by the holder to the Company, on any account whatsoever.

#### CAPITALISATION ISSUE

23. The directors may with the authority of an ordinary resolution of the Company:

- (i) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (ii) appropriate the sum involved to be capitalised to the members or any class of 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 toward paying up the amounts, if any, for the time being unpaid on 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 share 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 article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

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

#### NOTICES

- 24.1 A notice may be given by the Company to any member or director either personally or by sending it by pre-paid post, tele-message, confirmed facsimile or telex to his registered address within the United Kingdom or to any other address within the United Kingdom supplied by him to the Company for the giving of notice to him, but in the absence of such address the member or director will not be entitled to receive from the Company notice of any meeting. A properly addressed and pre-paid notice sent by post will be deemed to have been given, in the case of a meeting, upon the day following that on which the notice is posted and, in the case of notice of any other matter, at the time at which the notice would be delivered in the ordinary course of post.
- 24.2 A notice given by telegram or tele-message will be deemed to have been given at the expiry of 24 hours after it is delivered by the Company to the relevant transmitting authority.
- 24.3 A notice given by telex or confirmed facsimile will be deemed to have been given at the same time as it is transmitted by the Company.
- 24.4 In the case of joint holders of a share, all notices will be given to the joint holder whose name stands first in the register of members in respect of the joint holding, and notice so given will be sufficient notice to all the joint holders.
- 24.5 Except as otherwise provided in these articles, all notices to be given pursuant to these articles, other than one calling a meeting of the directors, must be in writing.

#### ACCOUNTS

- 25. As soon as practicable after the close of any financial year the audited consolidated accounts of the Company and its subsidiaries for such year shall be delivered to the holders of the Preference Shares showing a calculation of Adjusted Profits for that financial year. Unless the Preference Shareholders serve a written notice of non-acceptance of such accounts, based on a reasonable

objection to the manner in which or the information from which the Adjusted Profits have been calculated signed by or on behalf of all the Preference Shareholders, on the Company at the Office within 30 days after delivery of such accounts, the Adjusted Profits shown in such accounts shall be the Adjusted Profits for the relevant financial year. If notice of non-acceptance is duly served within such time, the matter in dispute may be referred to a firm of independent chartered accountants chosen by the Company and the Preference Shareholders, or, in default of agreement, by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of either. Any such independent chartered accountants shall act as experts and not as arbitrators and the calculation of Adjusted Profits as settled by them pursuant to this Article and the amount of the Adjusted Profits shown thereby shall be the Adjusted Profits for the relevant year and save in the case of manifest error shall be final and binding upon the Company and all its members.

#### INDEMNITY

- 26.1 Subject to the provisions of section 310 of the Act, every director, agent, secretary and other officer of the Company will be entitled to be indemnified out of the assets of the Company against all losses or liabilities properly incurred by him in or about the execution and discharge of the duties of his office. Regulation 118 of Table A shall be extended accordingly but shall not apply to any auditor of the Company.
- 26.2 The directors may at their discretion and on such terms as they think fit purchase and maintain for the Company or for any director, secretary or other manager or officer other than auditor of the Company insurance against any liability which might by virtue of any rule of law attach to such director, secretary, or other manager or officer in relation to any negligence, default, breach of duty or breach of trust in relation to the Company or its business or affairs or to any subsidiary and against such liability as mentioned in the preceding article.