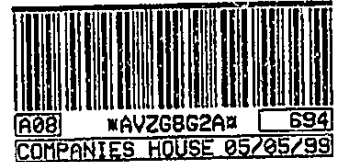


**COMPANIES ACTS, 1985 to 1989**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**



**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**GRAFTON GROUP (UK) PUBLIC LIMITED COMPANY**

(As amended by special resolution passed on 26 March 1999)

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**INCORPORATED: 11 JANUARY 1994**

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**(REGISTERED NUMBER: 2886378)**

*APMS*

**THE COMPANIES ACTS 1985 to 1989**

**PUBLIC COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION OF**

**GRAFTON GROUP (UK) PUBLIC LIMITED COMPANY**

1. The Company's name is "GRAFTON GROUP (UK) PUBLIC LIMITED COMPANY".
2. The Company is to be a public limited company.
3. The Company's registered office is to be situated in England and Wales.
4. The objects for which the Company is established are:
  - (a) (i) To carry on the business of a holding company and to co-ordinate the administration, finances and activities of the subsidiary companies of the Company, to do all lawful acts and things whatever that are necessary or convenient in carrying on the business of such a holding company and in particular to carry on in all its branches the business of a management and servicing company, to act as manager and to direct or co-ordinate the management of other companies or of the business, property and estates of corporations, private persons or companies and to undertake and carry out all such services in connection therewith as may be deemed expedient and to exercise its powers as a controlling shareholder of other companies.
  - (ii) To carry on any other trade or business, whether subsidiary, similar or analogous to the above businesses or not, which may seem to the company capable of being conveniently carried on in connection with the above trades, businesses or objects or which may be calculated, directly or indirectly to enhance the value of or render profitable any of the property or rights of the company or to further any of its objects.
  - (iii) To purchase or by any other means acquire and take options over any property whatever, and any rights or privilege of any kind over or in respect of any property.

- (b) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- (c) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or Company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (d) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (e) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (f) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (g) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

- (h) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (i) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests
- (j) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (k) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (l) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (m) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid
- (n) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (o) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

- (p) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (q) To distribute among the Members of the Company in kind any property of the Company of whatever nature.
- (r) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (s) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business: to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance including insurance for any Director, officer or Auditor against any liability as is referred to in Section 310(1) of the Act; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants: and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend, money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (t) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151 (1) and/or Section 151(2) of the Act.
- (u) To procure the Company to be registered or recognised in any part of the world.
- (v) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

- (w) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's object or of any of the powers given to it by the Act or by this Clause.

AND so that:-

- (1) None of the provisions set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such provision, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (2) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
- (3) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
5. The liability of the Members is limited.
6. The Share Capital of the Company is STG£50,150,000 divided into 50,000,000 "A" Ordinary Shares of STG£1 each, 100,000 "B" Ordinary Shares of STG£1 each and 50,000,000 "C" Ordinary Shares of STG£.001 each.

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

Names and addresses of Subscribers	Number of shares taken by each Subscriber
1. Instant Companies Limited 2 Baches Street London N1 6UB	One
2. Swift Incorporations Limited 2 Baches Street London N1 6UB	One
Total shares taken	Two

Dated this 1st day of July, 1993.

Witness to the above Signatures:-

Mark Anderson  
2 Baches Street  
London N1 6UB



COMPANIES ACTS 1985 to 1989  
PUBLIC COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
GRAFTON GROUP (UK) PUBLIC LIMITED COMPANY

PART I - PRELIMINARY

1. Interpretation.

- (a) Table A set out in the schedule to the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.
- (b) In these Articles the following expressions shall have the following meanings:

"the Acts"	the Companies Acts, 1985 to 1989 including any statutory modification or re-enactment thereof for the time being in force;
"these Articles"	these Articles of Association as from time to time altered by resolution of the Company;
"the Auditors"	the auditors for the time being of the Company;
"Board"	The Board of Directors of the Company or the Directors present at a meeting of the Directors at which a quorum is present.
"clear days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"C Ordinary Share"	A 'C' Ordinary Share of 0.001p in the capital of the Company
"the Directors"	the Directors for the time being of the Company or any of them acting as the board of Directors of the Company;



"Dividend Election"	A dividend election made in accordance with the Articles of Association of Grafton Group by a member of Grafton Group in respect of Grafton Group Ordinary Shares held by such member
"Executive Director"	A Director of the Company who holds an executive office (including but not limited to a managing Director, Joint Managing Director or Assistant Managing Director) or other executive position with the Company or whose terms of service provide, or whose services are supplied for the performance of executive duties on behalf of the Company.
"Grafton Group"	Grafton Group Plc, a company incorporated in Ireland with registration number 8149.
"Grafton Group Ordinary Share"	One Ordinary Share of E0.50 in the capital of Grafton Group or such denominated and redenominated values as the members of Grafton Group shall from time to time to determine.
"Grafton Unit"	One Grafton Group Ordinary Share in respect of which the holder has made or is entitled to make a Dividend Election and one 'C' Ordinary Share held by the same person which ranks for dividends (if any) on the 'C' Ordinary Share when a Dividend Election is in force.
"the holder"	in relation to any Share, the member whose name is entered in the Register as the holder of the Share;
"Month"	Calendar month
"the office"	the registered office for the time being of the Company;
"the Register"	the register of members to be kept as required by the Acts;
"the Seal"	the common seal of the Company or (where relevant) the official securities seal kept by the Company pursuant to the Acts;
"Securities Seal"	An official seal kept by the company by virtue of Section 40 of the Act.

- "Statutes" The Act and every other statute for the time being in force concerning companies and affecting the Company.
- "Secretary" any person appointed to perform the duties of the Secretary of the Company;
- "The Act" The Companies Act 1985 as amended.
- "These Articles" These Articles of Association as originally adopted or as from time to time altered.
- "United Kingdom" Great Britain and Northern Ireland.
- "£ or p" The lawful currency for the time being of the United Kingdom.
- (c) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and any other modes of representing or reproducing words in a visible form. The expression "executed" shall include any mode of execution whether under seal or under hand.
- (d) Unless specifically defined herein or the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Acts but excluding any statutory modification thereof not in force when these Articles become binding on the Company.
- (e) References to Articles are to Articles of these Articles. The headings and captions included in these Articles are inserted for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of these Articles.

## PART II - SHARE CAPITAL AND RIGHTS

### 2. Share Capital.

- (a) The Share Capital of the Company is £50,150,000 divided into 50,000,000 'A' Ordinary Shares of £1 each, 100,000 'B' Ordinary Shares of £1 each and 50,000,000 'C' Ordinary Shares of 0.001p each.

(b) Rights of 'A' Ordinary Shares and/or 'B' Ordinary Shares

(i) Voting

The holders of 'A' Ordinary Shares and/or 'B' Ordinary Shares shall be entitled to attend, speak and vote at all General Meetings of the Company and shall rank pari passu in all respects save as hereinafter provided.

(ii) Income

Subject to the provisions of these Articles, the holders of 'A' Ordinary Shares and/or 'B' Ordinary Shares shall be entitled to such dividends as may be declared from time to time on such Shares.

(iii) Capital

On a return of capital on a winding up or otherwise (other than on conversion, redemption or purchase of Shares) the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares shall be entitled, pari passu with the 'C' Ordinary Shareholders to the repayment of a sum equal to the nominal capital paid up or credited as paid up on the Shares held by them respectively. Thereafter, the holders of the 'A' Ordinary Shares and 'B' Ordinary Shares shall be entitled to the balance of the surplus assets of the Company to be distributed rateably according to the number of Shares held by them respectively.

(c) Rights of 'C' Ordinary Shares

(i) Voting

The 'C' Ordinary Shares shall not entitle the holders thereof to receive notice of, attend or vote at any General Meeting of the Company unless the business of the meeting includes a resolution varying or abrogating any of the special rights attaching to such Shares. If such a resolution is proposed, on a show of hands, every holder of 'C' Ordinary Shares who is present in person shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for every 'C' Ordinary Share of which he is the holder.

(ii) Income

Subject to the provisions of Article 100, the holder of a Grafton Unit who has given a Dividend Election which remains in force in relation to the Grafton Group Ordinary Share comprised in such unit shall be entitled to be paid dividends in respect of the 'C' Ordinary Share comprised in the same Grafton Unit. For the avoidance of doubt, it is hereby declared that dividends may be paid on some 'C' Ordinary Shares but not on other 'C' Ordinary Shares, on some classes and not on others and that differing amounts may be paid on Shares of the same class.

(iii) Capital

On a return of capital on a winding up or otherwise (other than on conversion, redemption or purchase of Shares) the holders of the 'C' Ordinary Shares shall be entitled pari passu with the holders of the 'A' Ordinary Shares and 'B' Ordinary Shares to the repayment of a sum equal to the nominal capital paid or credited as paid up on the 'C' Ordinary Shares held by them respectively. The 'C' Ordinary Shares shall not confer upon the holders thereof any rights to participate further in the profits or assets of the Company.

(iv) Transfers

A 'C' Ordinary Share may at any time be transferred to any person provided that:

- (a) at the same time the Grafton Group Ordinary Share comprised in the same Grafton Unit is transferred to the same person; or
- (b) such person is the holder of Grafton Group Ordinary Shares not comprised in a Grafton Unit who will after such transfer hold Grafton Units, provided that no 'C' Ordinary Shares may be transferred to such a person which will not after such transfer be comprised in Grafton Units.  
Save as aforesaid a 'C' Ordinary Share will not be transferrable except to the holder of an 'A' Ordinary Share and/or 'B' Ordinary Share in accordance with paragraph (v) of this Article 2.

(v) Compulsory acquisition of 'C' Ordinary Shares

- (a) (i) Any holder of a 'C' Ordinary Share, with the prior approval of an Extraordinary Resolution passed at a separate General Meeting of the holders of the 'C' Ordinary Shares or with the prior consent in writing of the holders of at least three quarters in nominal value of the issued 'C' Ordinary Shares; or
- (ii) any person or persons holding a majority in nominal value of the issued 'A' Ordinary Shares and/or 'B' Ordinary Shares;

shall by giving a notice in writing (a 'Requirement Notice') to the Company on behalf of all the holders of Shares of the same class, be entitled to call for all the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares to acquire all the 'C' Ordinary Shares in issue at the date of such Requirement Notice. Within seven days of receipt of a Requirement Notice, the Company shall give notice in writing thereof to each of the holders of 'A' Ordinary Shares and/or 'B' Ordinary Shares and

each of the holders of 'C' Ordinary Shares (the 'Company Notice') specifying in the notice to the holders of 'A' Ordinary Shares and/or 'B' Ordinary Shares the number of 'C' Ordinary Shares which each such holder is obliged to purchase. Any such Company Notice may be served in the same manner as a notice of meeting of the Company. Within five days of the service of the Company Notice the holders of the 'C' Ordinary Shares in issue at the date of service of the Company Notice shall be bound to sell and the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares in issue at such date shall be bound to acquire all of the 'C' Ordinary Shares free of all claims, charges, liens, encumbrances and equities and together with all rights attaching thereto for the consideration and subject to the terms and conditions set out below:-

- (aa) the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares shall each purchase, at the price of 0.001p per 'C' Ordinary Share, such number of the issued 'C' Ordinary Shares as the Board may determine corresponds to their proportionate aggregate holding of 'A' Ordinary Shares and/or 'B' Ordinary Shares (disregarding fractions) which determination shall be conclusive and binding. The total purchase price for all of the 'C' Ordinary Shares must be paid to the Company for receipt on behalf of the holders of 'C' Ordinary Shares or, should the Company so direct, to the holders of the 'C' Ordinary Shares according to their relative entitlements, within twenty-one days of service by the Company of the Company Notice;
- (bb) the Company shall be the agent of all the holders of 'C' Ordinary Shares for the transfer of 'C' Ordinary Shares pursuant to a Requirement Notice and may execute and complete any necessary transfers, and, if necessary, allocate such Shares to the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares according to their relative entitlements; and receive the purchase moneys in trust for the holders of 'C' Ordinary Shares, which receipt shall be good discharge to the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares who shall not be bound to see to the application thereof;
- (cc) the Company shall, on execution of the relevant transfers and receipt of the total purchase price for all the issued 'C' Ordinary Shares or of evidence satisfactory to the Directors that such purchase price has been paid in full, cause the holders of the 'A' Ordinary Shares and/or 'B' Ordinary Shares to be registered as holders of all of the issued 'C' Ordinary Shares in such proportions as may be determined in accordance with Article (2)(c) (v) (a) (aa) above,

notwithstanding the absence of any Share certificates, and after such persons have been registered in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person. Any consideration received by the Company on behalf of the holder of the 'C' Ordinary Shares shall be dispatched to them in accordance with their relative entitlements, not later than twenty-eight days after receipt by the Company and the holders of the 'C' Ordinary Shares shall, upon request by the Company deliver up to the Company any certificate in respect of the 'C' Ordinary Shares.

- (b) Where a person (in this sub-paragraph (b) a "Vendor 'C' Ordinary Shareholder") holds or would, subject to registration, be entitled to be registered as the holder of a 'C' Ordinary Share which is not comprised in a Grafton Unit and does not hold a number of 'A' Ordinary Shares and/or 'B' Ordinary Shares equal to or greater than the number of 'C' Ordinary Shares so held, then:

- (i) either that person; or
- (ii) any holder of 'A' Ordinary Shares and/or 'B' Ordinary Shares

may require the acquisition of such 'C' Ordinary Share(s) ("Stray 'C' Ordinary Shares") by serving notice in writing on the Company (an "Acquisition Notice"). If an Acquisition Notice is served by a Vendor 'C' Ordinary Shareholder then the Company shall within five days of receipt of an Acquisition Notice by written notice offer the Stray 'C' Ordinary Shares to all the 'A' Ordinary Shareholders and/or 'B' Ordinary Shareholders and the first such holder to accept that offer by written notice to the Company shall acquire the Stray 'C' Ordinary Shares. Should no 'A' Ordinary Shareholder or 'B' Ordinary Shareholder so accept the offer within fourteen days of written notice given by the Company, then an 'A' Ordinary Shareholder and/or a 'B' Ordinary Shareholder nominated by the Board shall do so. If the Acquisition Notice is given by an 'A' Ordinary Shareholder or a 'B' Ordinary Shareholder then such Shareholder shall purchase the Stray 'C' Ordinary Shares. The Stray 'C' Ordinary Shares shall be acquired free from all claims, charges, liens, encumbrances and equities and together with all rights attaching thereto for the consideration and subject to the terms and conditions set out below:-

- (aa) the 'A' Ordinary Shareholder(s) and/or 'B' Ordinary Shareholder(s) purchasing the Stray 'C' Ordinary Shares in accordance with the foregoing shall do so at a price of 0.001p per 'C' Ordinary Share. The total purchase price for the Stray 'C' Ordinary Shares must be paid to the Company for receipt on behalf of the Vendor 'C' Ordinary Shareholder, or should the

Company so direct, to the Vendor 'C' Ordinary Shareholder, within twenty-one days of service by the Company of written notice referred to above in this sub-paragraph (b);

(bb) the Company shall be the agent of the Vendor 'C' Ordinary Shareholder for the transfer of the Stray 'C' Ordinary Shares pursuant to the Acquisition Notice and may execute and complete any necessary transfers and receive the purchase moneys in trust for the Vendor 'C' Ordinary Shareholder, which receipt shall be good discharge to the person(s) purchasing the Stray 'C' Ordinary Shares in accordance with this sub-paragraph (b) who shall not be bound to see to the application thereof;

(cc) the Company shall, on execution of the relevant transfer(s) and receipt of the total purchase price for the Stray 'C' Ordinary Shares or of evidence satisfactory to the Directors that such purchase price has been paid in full, cause the purchaser of Stray 'C' Ordinary Shares purchasing such Shares in accordance with this sub-paragraph (b) to be registered as the holder of the Stray 'C' Ordinary Shares notwithstanding the absence of any Share certificates, and after such persons have been registered in purported exercise of the above said powers, the validity of the proceedings shall not be questioned by any person. Any consideration received by the Company on behalf of the Vendor 'C' Ordinary Shareholder shall be dispatched to such person not later than twenty-eight days after receipt by the Company and the Vendor 'C' Ordinary Shareholder shall, upon request by the Company, deliver up to the Company any certificate in respect of the Stray 'C' Ordinary Shares.

3. Allotment of Securities

(a) Subject to the provisions of the Statutes as to authority to allot securities, pre-emption rights and otherwise and of any resolution of the Company relating thereto, the whole of the Shares of the Company for the time being unissued shall be under the control of the Board, who may allot, grant options over or otherwise dispose of the same to such persons, at such times and upon such terms and conditions as they may determine.

(b) No 'C' Ordinary Share shall be issued to any person unless either such person is at the time of issue the holder of not less than 75% of the 'A' Ordinary Shares and/or the 'B' Ordinary Shares for the time being in issue or immediately following the time of issue that person will hold Grafton Group Ordinary Shares which, with the 'C' Ordinary Shares to be issued, will be comprised in Grafton Units in number equal to the total number of 'C' Ordinary Shares to be issued and so comprised.

4. Rights of Shares on Issue. Without prejudice to any special rights conferred on the holders of any existing Shares or class of Shares and subject to the provisions of the Acts, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
5. Redeemable Shares. Subject to the provisions of the Acts, any Shares may be issued on the terms that they are, or, at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company may by special resolution determine.
6. Variation of Rights. Whenever the Share capital is divided into different classes of Shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or requesting by proxy at least one-third in nominal value of the issued Shares of the class in question and, at an adjourned meeting, one person holding Shares of the class in question or his proxy shall be a quorum.
7. Trusts Not Recognised. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the holder: this shall not preclude the Company from requiring the members or a transferee of Shares to furnish the Company with information as to the beneficial ownership of any Share when such information is reasonably required by the Company.
8. Disclosure of Interests in Shares
  - (a) Notwithstanding the provisions of the immediately preceding Article, the Directors may at any time and from time to time if, in their absolute discretion, they consider it to be in the interests of the Company to do so, give a notice to the holder or holders of any Share (or any of them) requiring such holder or holders to notify the Company in writing within such period as may be specified in such notice (which shall not be less than twenty-eight days from the date of service of such notice) of full and accurate particulars of all or any of the following matters, namely:-



- (i) his interest in such Share;
  - (ii) if his interest in the Share does not consist of the entire beneficial interest in it, the interests of all persons having any beneficial interest in the Share (provided that one joint holder of a Share shall not be obliged to give particulars of interests of persons in the Share which arise only through another joint holder); and
  - (iii) any arrangements (whether legally binding or not) entered into by him or any person having any beneficial interest in the Share whereby it has been agreed or undertaken or the holder of such Share can be required to transfer the Share or any interest therein to any person (other than a joint holder of the Share) or to act in relation to any meeting of the Company or of any class of Shares of the Company in a particular way or in accordance with the wishes or directions of any other person (other than a person who is a joint holder of such Share).
- (b) If, pursuant to any notice given under paragraph (a), the person stated to own any beneficial interest in a Share or the person in favour of whom any holder (or other person having any beneficial interest in the Share) has entered into any arrangements referred to in sub-paragraph (a) (iii), is a body corporate, trust, society or any other legal entity or association of individuals and/or entities, the Directors may at any time and from time to time if, in their absolute discretion, they consider it to be in the best interests of the Company to do so, give a notice to the holder or holders of such Share (or any of them) requiring such holder or holders to notify the Company in writing within such period as may be specified in such notice (which shall not be less than twenty-eight days from the date of service of such notice) of full and accurate particulars of the name and addresses of the individuals who control (whether directly or indirectly and through any number of vehicles, entities or arrangements) the beneficial ownership of such body corporate, trust, society, interests, units or other entity or association wherever the same shall be incorporated, registered or domiciled or wherever such individuals shall reside provided that if at any stage of such chain of ownership the beneficial interest in any Share shall be established to the satisfaction of the Directors to be in the ownership of any body corporate which is listed or quoted on any bona fide stock exchange, unlisted securities market or over-the-counter securities market, it shall not be necessary to disclose details of the individuals ultimately controlling the beneficial interests in the Shares of such body corporate.
- (c) The Directors may, if they think fit, give notices under paragraphs (a) and (b) at the same time on the basis that the notice given pursuant to paragraph (b) shall be contingent upon disclosure of certain facts pursuant to a notice given pursuant to paragraph (a).

- (d) The Directors may (before or after the receipt of any written particulars under this Article) require any such particulars to be verified by statutory declaration.
- (e) The Directors may serve any notice pursuant to the terms of this Article irrespective of whether or not the holder on whom it shall be served may be dead, bankrupt, insolvent or otherwise incapacitated and no such incapacity or any unavailability of information or inconvenience or hardship in obtaining the same shall be a satisfactory reason for failure to comply with any such notice provided that if the Directors in their absolute discretion think fit, they may waive compliance in whole or in part with any notice given under this Article in respect of a Share in any case of bona fide unavailability of information or genuine hardship or where they otherwise think fit but no such waiver shall in any way prejudice or affect any non-compliance not so waived whether by the holder concerned or any other joint holder of the Share or by any person to whom a notice may be given at any time.
- (f) For the purpose of establishing whether or not the terms of any notice served under this Article shall have been complied with the decision of the Directors in this regard shall be final and conclusive and shall bind all persons interested.

9. Allotment of Shares.

- (a) The Shares shall be at the disposal of the Directors, and they may (subject to the provisions of the Acts) allot, grant options over or otherwise dispose of them to such persons on such terms and conditions and at such times as they may consider to be in the best interests of the Company and its Shareholders.
- (b) Without prejudice to the generality of the powers conferred on the Directors by paragraph (a) of this Article, the Directors may from time to time grant options to subscribe for the unallotted Shares in the capital of the Company to persons in the service or employment of the Company or any subsidiary or associated company of the Company (including Directors holding executive offices) on such terms and subject to such conditions as the members of the Company in general meeting may from time to time approve.

10. Payment of Commission. The Company may exercise the powers of paying commissions conferred by the Acts. Subject to the provisions of the Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also, on any issue of Shares, pay such brokerage as may be lawful.

### PART III - SHARE CERTIFICATES

11. Issue of Certificates.

- a) Every member shall be entitled without payment to one certificate for all the Shares of each class held by him or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine provided that 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 the first named in the Register of Members of each joint holder shall be a sufficient delivery to all of them. Every certificate shall be sealed with the Seal and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up thereon.
- b) No Share certificate relating to a 'C' Ordinary Share shall be issued except in conjunction with a Share certificate issued in respect of Grafton Group Ordinary Shares comprised in the same Grafton Unit.

12. Balance and Exchange Certificates.

- (a) Where some only of the Shares comprised in a Share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such Shares shall be issued in lieu without charge.
- (b) Any two or more certificates representing Shares of any one class held by any member may at his request be cancelled and a single new certificate for such Shares issued in lieu without charge. If any member shall surrender for cancellation a Share certificate representing Shares held by him and request the Company to issue in lieu two or more Share certificates representing such Shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.

13. Renewal of Certificates. If a Share certificate is defaced, worn-out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional expenses 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.

#### PART IV - LIEN ON SHARES

14. Extent of Lien. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to all moneys payable in respect of it.
15. Power of Sale. Subject to the restrictions in these Articles on the disposition and transfer of 'C' Ordinary Shares comprised in Grafton Units the Company may sell in such manner as the Directors determine any Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice demanding payment, and stating that if the notice is not complied with the Shares may be sold, has been given to the holder of the Share or to the person entitled to it by reason of the death or bankruptcy of the holder.
16. Power to Effect Transfer. Subject to the restrictions in these Articles on the disposition and transfer of 'C' Ordinary Shares comprised in Grafton Units the Directors to give effect to a sale may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The 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 moneys nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
17. Proceeds of Sale. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

#### PART V - CALLS ON SHARES AND FORFEITURE

18. Making of Calls. Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their Shares and each member shall (subject to receiving at least fourteen clear days notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of a 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.

19. Time of Call. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
20. Liability of Joint Holders. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
21. Interest on Calls. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Acts) but the Directors may waive payment of the interest wholly or in part.
22. Instalments Treated as Calls. An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value 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.
23. Power to Differentiate. Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
24. Notice Requiring Payment. If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
25. Forfeiture. If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Share and not paid before the forfeiture. The Directors may accept a surrender of any Share liable to be forfeited hereunder.
26. Power of Disposal. Subject to the provisions of the Acts, a Share forfeited (or surrendered in lieu thereof) may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal such a Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share to that person.

27. Effect of Forfeiture. A person any of whose Shares have been forfeited or surrendered, shall cease to be a member in respect of them and shall deliver to the Company for cancellation the certificate for the Shares forfeited or surrendered but shall remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Acts) from the date of forfeiture or surrender until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or for any consideration received on their disposal.
28. Statutory Declaration. A statutory declaration by a Director or the Secretary that a Share has been forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall be registered as the holder of the Share and 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, sale, re-allotment or other disposal of the Share.

#### PART VI - TRANSFER OF SHARES

29. Instrument of Transfer.
- a) The instrument of transfer of any Share shall be in writing in any usual form or in any other form which the Directors may approve. Any instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid Shares) by the transferee.
  - b) Notwithstanding any other provision of these Articles, title to any Shares in the Company may also be evidenced and transferred without a written instrument in accordance with statutory regulations made from time to time under S.207 of the Companies Act 1989 or under any regulations and, in particular, shall, where appropriate, be entitled to disapply all or part of the provisions in these Articles with respect to the requirement for written instruments of transfer and Share certificates, in order to give effect to such regulations.
30. Refusal to Register Transfers. The Directors may refuse to register any transfer (whether or not it is in respect of a fully paid Share) unless:-
- (a) it is lodged at the Office or at such other place as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of Shares; and

(c) it is in favour of not more than four transferees.

31. Refusal to Register Transfers of Units. The Board shall not register any person as the holder of any 'C' Ordinary Share which is comprised in a Grafton Unit, except pursuant to the provisions of Article 2(c) unless there is produced to the Board such evidence as it may reasonably require that there has been allotted or issued or transferred to the same person a Grafton Group Ordinary Share comprised in the same Grafton Unit. The Board shall not register any person, other than the holder of not less than 75% of the 'A' Ordinary Shares and/or the 'B' Ordinary Shares for the time being in issue or pursuant to the provisions of Article 2(c) as the holder of any 'C' Ordinary Shares which are not comprised in Grafton Units.

32. Procedure on Refusal. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

33. Closing of Transfer Books. The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods (not exceeding thirty days in each year) as the Directors may determine.

34. Absence of Registration Fees. 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.

35. Notice of Enquiry to Members. If any member, or any person whom the Board knows or has reasonable cause to believe to be interested or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any Share held by him, has been duly served with a notice pursuant to Section 212 of the Act and is in default in giving the Company the particulars required by such notice within the period of 28 days after the services of the notice, then the Board may at any time after such period direct that any such Share shall be subject to all or any of the following restrictions:-

- (i) that any transfer of such Share or, in the case of an unissued Share, any transfer of the right to be issued with it, and any issue of it, shall be void;
- (ii) that no voting rights shall be exercisable in respect of such Share;
- (iii) that no further Share shall be issued in right of such or in pursuance of any offer made to the holder of such Shares; and
- (iv) that, except in a liquidation, no payment shall be made of any sums due from the Company on such Share, whether in respect of capital or otherwise.

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- (b) Where any Share is subject to the restrictions in sub-paragraph (i) of paragraph (a) of this Article, any agreement to transfer such Shares of, in the case of an unissued Share, the right to be issued with such Share shall be void.
  - (c) Where any Share is subject to the restrictions in sub-paragraph (iii) or (iv) of paragraph (a) of this Article, any agreement to transfer any right to be issued with any other Share in right of such Share, or to receive any payment on it (otherwise in a liquidation) shall be void.
  - (d) The Board may at any time whether in anticipation of a sale pursuant to paragraph (e) of this Article or otherwise direct that (with effect from such date as the Board may determine) any Share subject to any of the restrictions mentioned in this Article be no longer so subject and that with effect as aforesaid any agreement referred to in paragraph (b) or (c) of this Article be no longer void.
  - (e) The Company may sell, in such manner as the Board think fit, any Share subject to any of the aforesaid restrictions. The net proceeds of sale, after payment of the costs of such sale, shall be held by the Company for the benefit of the person registered as holder of the Share at the time of the sale. No such proceeds shall bear interest against the Company. For giving effect to any sale as aforesaid the Board may authorise some person to transfer the Share sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares so transferred and shall not be bound to see to the application of the purchase money, nor shall his title to the Share be affected by any or invalidity in the proceedings in reference to the sale.
36. Destruction of documentation. The Company shall be entitled to destroy all instruments of transfer of Shares and all documents on the faith of which entries have been made in the Register at any time after the expiration of six years from the date of registration thereof, and all dividend mandates and notifications of change of name or 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 such cancellation, and it shall conclusively be presumed in favour of the Company that 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 effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was valid and effective documentations in accordance with the recorded particulars thereof in the books or records of the Company: Provided that
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith without notice of any claim (regardless of the parties thereto) to which the document might be relevant.



- (b) nothing herein contained shall be construed as imposing upon the Company and liability in respect of the destruction of any document earlier than as aforesaid or in any other circumstances in which liability would not attach to the Company in the absence of this Article; and
- (c) references to the destruction of any document include references to the disposal thereof in any manner.

#### **PART VII - TRANSMISSION OF SHARES**

37. Death of Member. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest in the Shares, but nothing herein contained shall release the estate of a deceased member from any liability in respect of any Share which had been jointly held by him.
38. Transmission on Death or Bankruptcy. A person becoming entitled to a Share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the Share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the Share to that person. All of these Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
39. Rights before Registration. A person becoming entitled to a Share by reason of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share) shall have the rights to which he would be entitled if he were the holder of the Share, except that he shall not, before being registered as the holder of the Share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of Shares in the Company, so, however that the Directors 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 ninety days, the Directors may thereupon withhold payment of all dividends, bonuses or other moneys payable in respect of the Share until the requirements of the notice have been complied with.

## PART VIII - ALTERATION OF SHARE CAPITAL

40. Increase of Capital. The Company may from time to time by ordinary resolution increase the Share capital by such sum, to be divided into Shares of such amount, as the resolution shall prescribe.
41. Consolidation Sub-Division and Cancellation of Capital. The Company may by ordinary resolution:-
- (a) consolidate and divide all or any of its Share capital into Shares of larger amount;
  - (b) subject to the provisions of the Acts, subdivide its Shares, or any of them, into Shares of smaller amount (and so that the resolution whereby any Share is subdivided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may, as compared with the others have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new Shares); or
  - (c) cancel any 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.
42. Fractions on Consolidation. Subject to the provisions of these Articles, whenever as a result of a consolidation of Shares any members would become entitled to fractions of a Share, the Directors may, on behalf of those members, sell the Shares representing the fractions for the best price reasonably obtainable to any person and distribute the proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
43. Reduction of Capital. The Company may by special resolution reduce its Share capital, any capital redemption reserve fund or any Share premium account in any manner and with and subject to any incident authorised, and consent required, by law.
44. Purchase of Shares. The Company may also by Ordinary Resolution or Special Resolution, as the case requires, purchase its own Shares (including any redeemable Shares) in any manner authorised by the Statutes.

Provided that no such action as is contemplated in Articles 41-44 inclusive shall be taken in respect of a 'C' Ordinary Share unless the Board is satisfied that similar and equivalent actions will be taken or have been taken by Grafton Group in respect of the Grafton Group Ordinary Shares.

## PART IX - GENERAL MEETINGS

45. Annual General Meetings. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it.
46. Extraordinary General Meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings.
47. Convening General Meetings. The Directors may convene general meetings. Extraordinary general meetings may also be convened on such requisition, or in default, may be convened by such requisition and in such manner as may be provided by the Acts. 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 of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.
48. Notice of General Meeting
- (a) Subject to the provisions of the Acts allowing a general meeting to be called by shorter notice, 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 and all other extraordinary general meetings shall be called by at least fourteen clear days notice.
  - (b) Any notice convening a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted. It shall also give particulars of any Directors who are to retire by rotation or otherwise at the meeting and of any persons who are recommended by the Directors for appointment or re-appointment as Directors at the meeting, or in respect of whom notice has been duly given to the Company of the intention to propose them for appointment or re-appointment as Directors at the meeting. Subject to any restrictions imposed on any Shares, the notice shall be given to all the members, to all persons entitled to a Share by reason of the death or bankruptcy of a member and to the Directors and the Auditors.
  - (c) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.
  - (d) A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in those Articles and the Acts be deemed to have been duly called if it is so agreed by such number of members entitled or having a right to attend and vote thereat as is prescribed by the Statutes.

- (c) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a member.
- (f) The Board shall at the expense of the Company send with all notices convening General Meetings or Separate meetings of the holders of any class of Shares to the members entitled to vote thereat instruments of proxy (with or without prepaid postage) with provision for two-way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural.
49. (a) Special Notice
- (a) When by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty eight days (or such shorter period as the Statutes may allow) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Statutes.
- (b) In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an Ordinary Resolution no amendment thereto may in any event be considered or voted upon unless approved by the Directors or notice of the amendment has been left at the Office not less than forty eight hours before the time appointed for the holding of the meeting at which the Ordinary Resolution is to be considered.
- (c) If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

#### PART X - PROCEEDINGS AT GENERAL MEETINGS

50. Quorum for General Meetings

- (a) No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Except as provided in relation to an adjourned meeting, three persons entitled to vote upon the business to be transacted, each

being a member or a proxy for a member or a duly authorised representative of a corporate member, shall be a quorum.

- (b) If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the Directors may determine. If at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, the meeting, if convened otherwise than by resolution of the Directors, shall be dissolved, but if the meeting shall have been convened by resolution of the Directors, one person entitled to be counted in a quorum present at the meeting shall be a quorum.

51. Chairman of General Meetings.

- (a) The chairman of the Board of Directors or, in his absence, the deputy chairman (if any) or, in his absence, some other Director nominated by the Directors shall preside as chairman at every general meeting of the Company. If at any general meeting none of such persons shall be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the Directors present shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he shall be chairman.
- (b) If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.

52. Director's and Auditors' Right to Attend General Meetings. 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. The Auditors shall be entitled to attend any general meeting and to be heard on any part of the business of the meeting which concerns them as the Auditors.

53. Adjournment of General Meetings. 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 (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for fourteen days or more or sine die, 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. Save as aforesaid it shall not be necessary to give any notice of an adjournment.

54. Determination of Resolutions. At any general meeting a resolution put to the vote of the 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. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. 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. Qualification of voters. If:-
- (a) any objection is raised to the qualification of any voter, or
  - (b) any votes are counted which ought not to have been counted or which might have been rejected, or
  - (c) any votes are not counted which ought to have been counted, the objection or error shall not violate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only violate the decision of the meeting on any resolution if the Chairman decides that the same may have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.
56. Entitlement to Demand Poll. Subject to the provisions of the Acts, a poll may be demanded:-
- (a) by the chairman of the meeting;
  - (b) by at least three members present (in person or by proxy) having the right to vote at the meeting;
  - (c) by any member or members present (in person or by proxy) 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 present (in person or by proxy) holding Shares in the Company 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.

57. Taking of a Poll.

(a) Save as provided in paragraph (b) of this Article, a poll shall be taken in such manner 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.

(b) 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 (not being more than thirty days after the poll is demanded) and place as the chairman of the meeting may direct. 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.

(c) 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 in respect of 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. Votes of Members. Votes may be given either personally or by proxy. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member present in person and every proxy shall have one vote, so, however, that no individual shall have more than one vote, and on a poll every member shall have one vote for every Share of which he is the holder.

59. Chairman's Casting Vote. Where there is an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to any other vote he may have.

60. Voting by Joint Holders. Where there are joint holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, in respect of such Share shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose, seniority shall be determined by the order in which the names of the holders stand in the Register in respect of the Share.

61. Voting by Incapacitated Holders. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction (whether in the State or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll,

by his committee, receiver, guardian or other person appointed by that court, and any such committee, receiver, guardian or other person may vote by proxy on a show of hands or on a poll. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than forty-eight 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.

62. Default in Payment of Calls. Unless the Directors otherwise determine, no member shall be entitled to vote at any general meeting or any separate meeting of the holders of any class of Shares in the Company either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.
63. Restriction of Voting Rights
- (a) If at any time the Directors shall determine that a Specified Event (as defined in paragraph (f)) shall have occurred in relation to any Share or Shares the Directors may serve a notice to such effect on the holder or holders thereof. Upon the service of any such notice (in these Articles referred to as a "Restriction Notice") no holder or holders of the Share or Shares specified in such Restriction Notice shall, for so long as such Restriction Notice shall remain in force, be entitled to attend or vote at any general meeting, either personally or by proxy.
  - (b) A Restriction Notice shall be cancelled by the Directors as soon as reasonably practicable, but in any event not later than forty-eight hours, after the holder or holders concerned shall have remedied the default by virtue of which the Specified Event shall have occurred. A Restriction Notice shall automatically cease to have effect in respect of any Share transferred upon registration of the relevant transfer provided that a Restriction Notice shall not cease to have effect in respect of any transfer where no change in the beneficial ownership of the Share shall occur and for this purpose it shall be assumed that no such change has occurred where a transfer form in respect of the Share is presented for registration having been stamped at a reduced rate of stamp duty by virtue of the transferor or transferee claiming to be entitled to such reduced rate as a result of the transfer being one where no beneficial interest passes.
  - (c) The Directors shall cause a notation to be made in the Register against the name of any holder or holders in respect of whom a Restriction Notice shall have been served indicating the number of Shares specified in such Restriction Notice and shall cause such notation to be deleted upon cancellation or cesser of such Restriction Notice.



- (d) Any determination of the Directors and any notice served by them pursuant to the provisions of this Article shall be conclusive as against the holder or holders of any Share and the validity of any notice served by the Directors in pursuance of this Article shall not be questioned by any person.
- (e) If, while any Restriction Notice shall remain in force in respect of any holder or holders of any Shares, such holder or holders shall be issued any further Shares as a result of such holder or holders not renouncing any allotment of Shares made to him or them pursuant to a capitalisation issue under Articles 108 to 110, the Restriction Notice shall be deemed also to apply to such holder or holders in respect of such further Shares on the same terms and conditions as were applicable to the said holder or holders immediately prior to such issue of further Shares.
- (f) For the purpose of these Articles the expression "Specified Event" in relation to any Share shall mean either of the following events:-
- (i) the failure by the holder or holder thereof to pay any call or instalment of a call in the manner and at the time appointed for payment thereof; or
  - (ii) the failure by the holder thereof or any of the holders thereof to comply, to the satisfaction of the Directors, with all or any of the terms of these Articles in respect of any notice or notices given to him or any of them thereunder.
64. Proxy Voting. The instrument appointing a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor. The signature on such instrument need not be witnessed. A body corporate may execute a form of proxy under its common seal or under the hand of a duly authorised officer thereof. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
65. Deposit of Proxy Instruments. The instrument appointing a proxy and any authority under which it is executed or a copy, certified notarially or in some other way approved by the Directors, shall be deposited, at the Office or (at the option of the member) at such other place or places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting, not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. Provided that:-

- (a) in the case of a meeting which is adjourned to, or a poll which is to be taken on a date which is less than seven days after the date of the meeting which was adjourned or at which the poll was demanded, it shall be sufficient if the instrument of proxy and any such authority and certification thereof as aforesaid, is lodged with the Secretary at the commencement of the adjourned meeting or the taking of the poll; and
  - (b) an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- 66. Effect of Proxy Instruments. Deposit of an instrument of proxy in respect of a meeting shall not preclude a member from attending and voting at the meeting or at any adjournment thereof. The instrument appointing a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 67. Effect of Revocation of Proxy. A vote given or poll demanded by proxy or by the duly authorised representative of a body corporate 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.
- 68. Written Resolutions. Subject to the provisions of the Acts, a resolution in writing, executed by and 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 in a general meeting duly convened and held and if described as a special resolution within the meaning of the acts. Any such resolution may consist of several instruments in like form each executed by or on behalf of one or more members."
- 69. Class Meetings. Any Separate Meeting for the holders of any class of Shares shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided that:-
  - (a) no member, other than a Director, shall be entitled to notice of it or to attend unless he is a holder of Shares of that capital;
  - (b) no vote shall be given except in respect of a Share of that class;

- (c) the quorum at any such meeting shall be two persons present in person holding or representing by proxy at least one third in nominal value of the issued Shares of the class:
- (d) the quorum at any adjourned meeting shall be two persons holding Shares of the class in question who are present in person or by proxy; and
- (e) a poll may be demanded in writing by any member present in person or by proxy and entitled to vote at the meeting and on a poll such member shall have one vote for every Share of the class in question of which he is the holder.

#### PART XI - DIRECTORS

- 70. Number of Directors. Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall be not less than two and not more than fifteen.
- 71. Ordinary Remuneration of Directors. The ordinary remuneration of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution shall otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he has held office.
- 72. Special Remuneration of Directors. Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.
- 73. Expenses of Directors. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of their duties.
- 74. Alternate Directors.
  - (a) Any Director may by writing under his hand appoint any person (including another Director) to be his alternate provided always that no such appointment of a person other than a Director as an alternate shall be operative unless and until such appointment shall have been approved by resolution of the Directors.

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- (b) An alternate Director shall be entitled to receive notices of all meetings of the Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present and in the absence of his appointor to exercise all the powers, rights, duties and authorities of his appointor as a Director (other than the right to appoint an alternate hereunder).
  - (c) Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration paid to the Director appointing him and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate and the Director appointing him.
  - (d) A Director may at any time revoke the appointment of any alternate appointed by him. If a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine but if a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment.
  - (e) Any appointment or revocation by a Director under this Article shall be effected by notice in writing given under his hand to the Secretary or deposited at the office or in any other manner approved by the Directors.

## **PART XII - POWERS OF DIRECTORS**

75. Directors' Powers. Subject to the provisions of the Acts, the Memorandum of Association of the Company and these Articles and to any directions given by ordinary resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum of Association of the Company or of these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
76. Power to Delegate. The Directors may delegate any of their powers to any managing Director or any Director holding any other executive office and to any committee consisting of one or more Directors together with such other persons (if any) as may be appointed to such committee by the Directors provided that a majority of the members of each committee appointed by the Directors shall at all times consist of Directors and that

no resolution of any such committee shall be effective unless a majority of the members of the committee present at the meeting at which it was passed are Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of these Articles regulating the proceedings of Directors so far as they are capable of applying.

77. Appointment of Attorneys. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, 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 Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
78. Local Management. The Directors may establish such committees, local boards or agencies for managing any of the affairs of the Company, either in the State or elsewhere, and may appoint any persons to be members of such committees. Local boards or agencies and may fix their remuneration and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith without notice of any such annulment or variation shall be affected thereby.
79. Seal for Use Abroad. The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
80. Borrowing Powers. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to the Acts to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### PART XIII - APPOINTMENT AND RETIREMENT OF DIRECTORS

81. Retirement by Rotation. The Directors shall not retire by rotation and shall continue to hold office subject to the provisions of the Articles.
82. Appointment of Additional Directors.
- (a) The Company may by ordinary resolution appoint a person to be a Director either to fill a vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles.
  - (b) 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.

### PART XIV - DISQUALIFICATION AND REMOVAL OF DIRECTORS

83. Disqualification of Directors. The office of a Director shall be vacated if:-
- (a) he ceases to be a Director by virtue of any provision of the Acts or he becomes prohibited by law from being a Director;
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) in the opinion of a majority of his co-Directors, he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (d) he resigns his office by notice to the Company;
  - (e) he is convicted of an indictable offence, unless the Directors otherwise determine.
84. Removal of Directors. The Company may, in accordance with and subject to the provisions of the Acts, by ordinary resolution remove any Director (including a managing or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and any such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

## PART XV - DIRECTORS' OFFICES AND INTERESTS

### 85. Executive Offices.

- (a) The Directors may appoint one or more of their body to the office of Managing Director or joint Managing Director or to any other executive office under the Company (including, where considered appropriate, the office of Chairman) on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
- (b) The appointment of any Director to the office of Chairman or Managing or joint Managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (c) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

### 86. Directors' Interests in transactions

- (a) Subject to the provisions of the Acts, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof or in which the Company or any subsidiary or associated company thereof is otherwise interested;
  - (ii) 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 or any subsidiary or associated company thereof is otherwise interested; and
  - (iii) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(b) For the purposes of this Article:-

- (i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

87. Restriction on Director's Voting.

- (a) Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. 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.
- (b) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:-
  - (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
  - (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;



- (iii) any subscription by him or agreement by him to subscribe for Shares or debentures or other securities of the Company or any of its subsidiary or associated companies or any proposal concerning any offer of Shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or Shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1% or more of the issued Shares of any class of such company or of the voting rights available to members of such company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances); or
- (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval for taxation purposes by the appropriate Revenue authorities.
- (c) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments 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 in such case each of the Directors concerned (if not debarred from voting under sub-paragraph (b) (iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (d) If a question arises at a meeting of Directors or of a committee of Directors as to the materiality of a Director's interest or as to the right of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.
- (e) 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.

- (f) For the purposes of this Article.. an interest of a person who is the spouse or a minor child of a Director shall be treated as an interest of the Director and in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director.

88. Entitlement to Grant Pensions. The Directors may provide benefits, whether by way of pensions, gratuities or otherwise for any Director, former Director or other officer or former officer of the Company or to any person who holds or has held any employment with the Company or with any body corporate which is or has been a subsidiary or associated company of the Company or a predecessor in business of the Company or of any such subsidiary or associated company and to any member of his family or any person who is or was dependent on him and may set up, establish, support, alter, maintain and continue any scheme for providing such benefits and for such purposes any Director may accordingly be, become or remain a member of, or rejoin any scheme and receive or retain for his own benefit all benefits to which he may be or become entitled thereunder. The Directors may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme in respect of any of the persons or class of persons above referred to who are or may be or become members thereof.

#### **PART XVI - PROCEEDINGS OF DIRECTORS**

89. Regulation and Convening of Directors' Meetings. 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 shall call a meeting of the Directors. Any Director may waive notice of a y meeting and any such waiver may be retrospective. If the Directors so resolve. It shall not be necessary to give notice of a meeting of Directors to any Director or alternate Director who, being a resident of the State, is for the time being absent from the State.
90. Voting at Directors' Meetings. Questions arising at any meeting of Directors shall be decided by a majority of votes. Where there is an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director who is also an alternate Director for one or more Directors shall be entitled in the absence of any such appointor from a meeting to a separate vote at such meeting on behalf of each such appointor in addition to his own vote.

91. Quorum for Directors' Meetings.

- (a) The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum but notwithstanding that such person may act as alternate Director for more than one Director he shall not count as more than one for the purposes of determining whether a quorum is present.
- (b) The continuing Directors or a sole Director may act notwithstanding any vacancies in their number but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting.

92. Telecommunication Meetings. Any Director or alternate Director may participate in a meeting of the Directors or any committee of the Directors by means of conference telephone or other telecommunications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting shall constitute presence in person at the meeting.

93. Chairman of Board of Directors. Subject to any appointment to the office of Chairman made pursuant to these Articles, the Directors may elect a chairman of their meetings and determine the period for which he is to hold office, but if no such chairman is elected, or, if at any meeting the chairman is unwilling to act or is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

94. Validity of Acts of Directors. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified from holding office or had vacated office, 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.

95. Directors' Resolutions in Writing. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

## PART XVII - THE SECRETARY

96. Appointment of Secretary. The appointment of the Secretary shall be for such term, at such remuneration and upon such conditions as the Directors may think fit and at any time the Secretary may be removed by them and a new Secretary appointed in his place.
97. Assistant Secretary. The Directors may appoint an assistant or deputy secretary and any provision in these Articles requiring or authorising a thing to be done by or to the Secretary shall be satisfied by it being done by or to the assistant or deputy secretary.

## PART XVIII - THE SEAL

98. Use of Seal. The Directors shall ensure that the Seal (including any official securities seal kept pursuant to the Acts) shall only be used by the authority of the Directors or of a committee authorised by the Directors.
99. Signature of Sealed Instruments. Every instrument to which the Seal shall be affixed shall be signed by a Director and shall also be signed by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose save that as regards any certificates for Shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures of either of them shall be dispensed with, printed thereon or affixed thereto by some method or system of mechanical signature.

## PART XIX - DIVIDENDS AND RESERVES

100. Interim and Fixed Dividends
- (a) Subject to the provisions of the Statutes and paragraphs (b) and (c) of this Article, the Company may by Ordinary Resolution declare dividends to be paid to the members in respect of the A Ordinary Shares and/or B Ordinary Shares and/or the C Ordinary Shares, but no dividend shall exceed the amount recommended by the Board. For the avoidance of doubt, dividends may be paid on A Ordinary Shares and/or B Ordinary Shares and not on C Ordinary Shares and vice versa, and at different rates.
- (b)(i) A dividend shall be declared and payable upon a C Ordinary Share only:
- (a) if at the same time as it is to be paid a dividend is to be paid on Grafton Group Ordinary Shares other than those in respect of which there are subsisting Dividend Elections; and
- (b) if a Dividend Election shall have been made and be in force in respect of the Grafton Group Ordinary Share comprised in the same Grafton Unit as that C Ordinary Share; and

- (c) to the extent that the net amount of such dividend (exclusive of tax credits, if any) does not exceed the net amount (exclusive of tax credits) which would, but for the said Dividend Election, be payable as a dividend on the Grafton Group Ordinary Shares so comprised;
- (d) if the Company is a subsidiary of Grafton Group; and
- (e) to the extent recommended by the Board.

(ii) For the purpose of calculating the amounts of the relative dividend to be paid on Grafton Group Ordinary Shares and C Ordinary Shares, the rate of exchange for Irish pounds or Euro and pounds sterling shall be the rate of the Central Bank of Ireland for the exchange of such currencies at 11.00am (Dublin time) on the date fixed by the directors of Grafton Group, not being more than fourteen days prior to the date of the payment of the dividend to be paid on the C Ordinary Shares, as report by such Bank to the Board.

- (c) Subject to the provisions of the Acts, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the Share capital is divided into different classes, the Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment, provided the Directors act in good faith they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

101. Payment of Dividends. Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionately 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, such Share shall rank for dividend accordingly. For the purposes of this Article, no amount paid on a Share in advance of calls shall be treated as paid on a Share.

102. Deductions from Dividends. The Directors may deduct from any dividend or other moneys payable to any member in respect of a Share any moneys presently payable by him to the Company in respect of that Share.

103. Dividends in Specie. A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid up Shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think 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 payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all the parties and may vest any such specific assets in trustees.
104. Payment of Dividends by Post. Any dividend or other moneys payable in respect of any Share may be paid by cheque or warrant sent by post to the registered address of the holder or, where there are joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such person and to such 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 payment of the cheque or warrant shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share.
105. Dividends Not to Bear Interest. No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
106. Payment to Holders on a Particular Date. Any resolution declaring a dividend on Shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same may be payable to the persons registered as the holders of such Shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such Shares. The provisions of this Article shall, mutatis mutandis, apply to capitalisations to be effected in pursuance of these Articles.
107. Unclaimed Dividends. Any dividend which has remained unclaimed for twelve years from the date of its declaration shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. The payment by the Directors of any unclaimed dividend or other moneys payable in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof.

## **PART XX - CAPITALISATION OF PROFITS OR RESERVES**

108. Capitalisation of Distributable Profits and Reserves. The Company in general meeting may, upon the recommendation of the Directors, resolve that any sum for the time being standing to the credit of any of the Company's reserves (including any capital redemption reserve fund or Share premium account) or to the credit of the profit and loss account be capitalised and applied on behalf of the members who would have been entitled to receive that sum if it had been distributed by way of dividend and in the same proportions either in or towards paying up amounts 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 the sum capitalised (such Shares or debentures to be allotted and distributed credited as fully paid up to and amongst such holders in the proportions aforesaid) or partly in one way and partly in another, so however, that the only purpose for which sums standing to the credit of the capital redemption reserve fund or the Share premium account shall be applied shall be those permitted by the Acts.
109. Implementation of Capitalisation Issues. Whenever such a resolution is passed in pursuance of either of the two immediately preceding Articles the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provisions as they shall think fit for the case of Shares or debentures becoming distributable in fractions (and, in particular, without prejudice to the generality of the foregoing, either to disregard such fractions or to sell the Shares or debentures represented by such fractions and distribute the net proceeds of such sale to and for the benefit of the Company or to and for the benefit of the members otherwise entitled to such fractions in due proportions) and also to 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 up, of any further Shares or debentures to which they may become entitled on such capitalisation or, as the case may require, for the payment up by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares and any agreement made under such authority shall be binding on all such members.
- 110 Capitalisation, Units. Any capitalisation of profits or reserves contemplated by Article 108 shall take place in respect of 'C' Ordinary Shares comprised in Grafton Units only in the form of 'C' Ordinary Shares allotted credited as fully paid, the aggregate number of which shall be the same as the aggregate number of Grafton Group Ordinary Shares comprised in Grafton Units to be allotted credited as fully paid by way of capitalisation of profits or reserves by Grafton Group at the same time to holders of Grafton Units.

111. Capitalisation, existence of rights. If, at any time of any issue of 'C' Ordinary Shares pursuant to Article 108 there are in existence rights, whether or not then exercisable, to subscribe for further 'C' Ordinary Shares in the Company, the Board may, if it thinks fit, set aside to separate reserve, to be called the Capitalisation Reserve, an amount equal to the nominal amount of the additional 'C' Ordinary Shares which would have been allotted if such rights had been exercisable and had been exercised prior to the record date for the said issue, to the intent that if and when such rights are exercised the holder thereof shall be entitled to receive such further 'C' Ordinary Shares, credited as fully paid by way of capitalisation of the Capitalisation Reserve, as he would have received if he had exercised his subscription right prior to the said date and the Directors shall, upon the exercise of his subscription of his subscription right by any such person as aforesaid apply the appropriate part of such Capitalisation Reserve accordingly. Provided that this Article shall not apply if, under the terms of the said subscription right, an adjustment would fall to be made to the number of Shares to be issued, or the subscription price therefor, by reason of an issue of Shares pursuant to the provisions of this Article.

#### PART XXI - NOTICES

112. Notices in Writing. Any notice to be given, served or delivered pursuant to these Articles shall be in writing.
113. Service of Notices.
- (a) A notice or document (including a Share certificate) to be given, served or delivered in pursuance of these Articles may be given to, served on or delivered to any member by the Company:
    - (i) by handing same to him or his authorised agent;
    - (ii) by leaving the same at his registered address; or
    - (iii) by sending the same by the post in a pre-paid cover addressed to him at his registered address.
  - (b) Where a notice or document is given, served or delivered pursuant to subparagraph (a) (i) or (ii) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the time the same was handed to the member or his authorised agent, or left at his registered address (as the case may be).
  - (c) Where a notice or document is given, served or delivered pursuant to subparagraph (a) (iii) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of twenty-four hours after the cover containing it was posted. In proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.



(d) Without prejudice to the provisions of sub-paragraphs (a) (i) and (ii) of this Article, if at any time by reason of the suspension or curtailment of postal services within the State, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least two leading national daily newspapers in the State and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the said advertisements shall appear. In any such case the Company shall send confirmatory copies of the notice through the post to those members whose registered addresses are outside the State (if or to the extent that in the opinion of the Directors it is practical so to do) or are in areas of the State unaffected by such suspension or curtailment of postal services and if at least ninety-six hours prior to the time appointed for the holding of the meeting the posting of notices to members in the State, or any part thereof which was previously affected, has again in the opinion of the Directors become practical the Directors shall forthwith send confirmatory copies of the notice by post to such members. The accidental omission to give any such confirmatory copy of a notice of a meeting to, or the non-receipt of any such confirmatory copy by, any person entitled to receive the same shall not invalidate the proceedings at the meeting.

(e) Notwithstanding anything contained in this Article the Company shall not be obliged to take account of or make any investigations as to the existence of any suspension or curtailment of postal services within or in relation to all or any part of any jurisdiction or other area other than the State.

114. Service on Joint Holders. A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder whose name stands first in the Register in respect of the Share and notice so given shall be sufficient notice to all the joint holders.

115. Service on Transfer or Transmission of Shares.

(a) Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the Register in respect of the Share, has been duly given to a person from whom he derives his title provided that the provisions of this paragraph shall not apply to any notice served under these Articles unless, under the provisions of these Articles, it is a notice which continues to have effect notwithstanding the registration of a transfer of the Shares to which it relates.

- (b) Without prejudice to the provisions of these Articles allowing a meeting to be convened by newspaper advertisement a notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a member, addressed to them at the address, if any, supplied by them for that purpose. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
116. Signature to Notices. The signature to any notice to be given by the Company may be written or printed.
117. Deemed Receipt of Notices. A member present, either in person or by proxy, at any meeting of the Company or the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

#### PART XXII - WINDING UP

118. Distribution on Winding Up. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up or credited as paid up Share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the Shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the Share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said Shares held by them respectively, provided that this Article shall not affect the rights of the holders of Shares issued upon special terms and conditions.
119. Distribution in Specie. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Acts, divide among the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such 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 contributories as he, with the like sanction determines, but so that no member shall be compelled to accept any assets upon which there is a liability.

### PART XXIII - MISCELLANEOUS

120. Inspection of Books etc. by Members. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members, not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Acts or authorised by the Directors or by the Company in general meeting and no member not being a Director shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process of or used by the Company.
121. Untraced Shareholders.
- (a) The Company shall be entitled to sell at the best price reasonably obtainable any Share of any class of a holder or any Share to which a person is entitled by transmission if and provided that:-
    - (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the holder or to the person entitled by transmission to the Share at his address on the Register or the last known address given by the holder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the holder or the person entitled by transmission (provided that during such twelve year period at least three dividends shall have become payable in respect of such Share);
    - (ii) the Company has at the expiration of the said period of twelve years by advertisement in a leading national daily newspaper in the State and in a newspaper circulating in the area in which the address referred to in sub-paragraph (a)(i) of this Article is located given notice of its intention to sell such Share;
    - (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the holder or person entitled by transmission; and
    - (iv) the Company has first given notice in writing to the quotations department of The Stock Exchange of its intention to sell such Shares.
  - (b) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such Share and such instrument of

transfer shall be as effective as if it had been executed by the holder or the person entitled by the transmission to such Share. 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 moneys nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- (c) The Company shall account to the holder or other person entitled to such Share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account which shall be a debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such holder or other person. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Directors may from time to time think fit.
- (d) Any such amount carried to a separate account which has remained unclaimed for twelve years from the date it was carried to such account shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

122. Indemnity. Subject to the provisions of and so far as may be admitted by the Acts, every Director, managing Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.