

Company Number 2984129

GOITRE TOWER ANTHRACITE LIMITED

Notice is hereby given that an Extraordinary General Meeting of the above named Company will be held at *Penguin Club* <sup>*Hendon*</sup> on the *19* day of *Nov* 1994 at *11.0AM/PM* for the purpose of considering and, if though fit, passing the following resolutions.

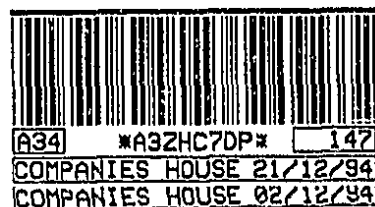
TO BE PROPOSED AS

SPECIAL RESOLUTIONS

Reclassification of Shares

Increase in authorised Capital

1. (i) That each of the existing issued and unissued ordinary shares of £1 each in the share capital of the Company be reclassified as "A" ordinary shares of £1 each;
- (ii) that the authorised share capital of the Company be hereby increased from *five hundred thousand* Two Million Pounds (£2,000,000) to Three million Pounds (£3,000,000) by the creation of:-
  - (a) *1* 500,000 "A" ordinary shares of £1 each ranking pari passu in all respects with the existing "A" ordinary shares in the Company; and



- (b) 376,000 "B" ordinary shares of £1 each;
- (c) 24,000 "C" non-voting redeemable ordinary shares.

All such shares having the respective rights set out in the Articles of Association of the Company as proposed to be adopted by the resolution set out below.

#### APPROVAL OF SHARE ALLOTMENT

#### AND EXCLUSION OF PRE-EMPTION RIGHTS

2. (a) That the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities up to the aggregate nominal amount of the Company's authorised but unissued share capital during the period commencing on the date of the passing of this resolution and expiring on 31st December 1995 (both dates inclusive) but so that this authority shall allow the directors to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry;
- (b) That Section 95 of the Act shall not apply to any issue of the "A" ordinary shares and "B" ordinary shares or the "C" non voting redeemable ordinary shares of the Company

#### ADOPTION OF NEW ARTICLES OF ASSOCIATION

3. That the Articles of Association contained in the printed document annexed hereto be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company.

BY ORDER OF THE BOARD

*P. White*

Secretary

Dated the 19 day of November 1994

Registered Office:

A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

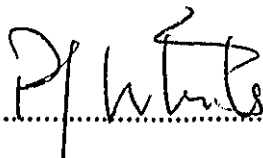
Company Number 2984129

COMPANIES ACT 1985  
GOITRE TOWER ANTHRACITE LIMITED  
CONSENT TO SHORT NOTICE

WE, being all the members of the above Company holding all the issued share capital of the above Company giving a right to the above Company in the attached Notice, HEREBY CONSENT to such meeting being held on the date specified in such Notice and to the resolutions set out in such Notice being proposed and passed thereat as special resolutions notwithstanding that less than the requisite period of notice of such Meeting may have been given.

Date: 19 November 1994

  
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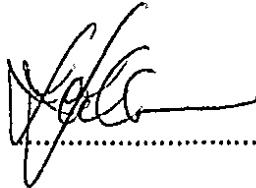
  
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WE HEREBY CERTIFY that:-

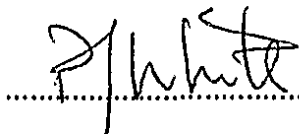
1. the meeting convened by the attached notice of extraordinary general meeting was properly convened and duly held;
2. the resolutions set forth in the said notice were duly passed thereat without amendment; and
3. the Secretary of the Company has been directed to file a copy of such resolutions with the registrar of Companies where necessary.

Date: 19 March 1994

Chairman

  
.....

Secretary

  
.....

Company No. 2984129

**THE COMPANIES ACT 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**GOITRE TOWER ANTHRACITE LIMITED**

(Adopted by Special Resolution dated 19 November 1994)

1

**PRELIMINARY**

- 1.1 In the interpretation of these Articles the following words and expressions shall unless the context otherwise requires have the meanings set opposite them:

"the 1985 Act"	the Companies Act 1985
"the 1989 Act"	the Companies Act 1989
"the Act"	the 1985 Act as amended or extended by the 1989 Act and including any statutory modification or re-enactment thereof for the time being in force
"the Articles"	these Articles of Association
"A" shares"	means the "A" Ordinary shares of £1 each in the share capital of the Company from time to time
"B" shares"	means the "B" Ordinary shares of £1 each in the share capital of the Company from time to time
"C" shares"	means the "C" non-voting, redeemable ordinary shares of £1 each in the share capital of the Company from time to time

"the Board"	the Board of directors of the Company
"clear days"	in relation to the period of a notice means 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
"the directors"	the directors of the Company for the time being
"Director Related Contract"	any contract, transaction or arrangement with a director of the Company (other than directors service contracts and contracts, transactions or arrangements which provide a director with a fair and reasonable reward for his services to the Company whether by way of remuneration or benefits in kind) or with any person who is connected with a director
"the EBT Trust"	a trust entitled the GTAL 1994 Employee Benefit Trust to be established by a Trust Deed between (1) the Company and (2) GTAL Trustees Limited for the benefit of the employees and former employees from time to time of the Company and any company in the Group and the wives, husbands, widows, widowers and children and step-children under the age of eighteen of such employees and former employees
"the EBT Trustees"	the trustees for the time being of the EBT Trust
"equity securities"	as defined in Section 94(2) of the Act

"Eligible Candidate"	an Employee Member who at the date of his nomination is a Qualified Employee
"Employee Eligible to Vote"	in relation to any election of an Employee Director any Employee Member who at the date of the relevant election is a Qualified Employer
"Employee Director"	a director who is appointed pursuant to Articles 36, 37 and 38
"Employee Member"	a member of the Company who is a Qualified Employee and who holds any share in the capital of the Company or who would hold a share if he was registered as the holder of any share to which he alone is beneficially entitled and which has been appropriated to him under any employee trust or profit sharing scheme approved in accordance with these Articles
"Executive Director"	a director appointed in accordance with the provisions of Article 35
"the Group"	Goitre Tower Anthracite Limited and all of its subsidiaries for the time being including the Principal Subsidiary (and "member of the Group" or "Group Company" means any of such companies)
"holder"	in relation to shares means the member whose name as entered in the register of members as the holder of the shares

"Important Business"	shall have the meaning ascribed to it in Article 40
"Major Business"	shall have the meaning ascribed to it in Article 40
"Market Value"	<p>a price for each "A" share "B" share and "C" share in the capital of the Company shall be determined by the net asset value of the Group established by reference to the following assumptions and bases:-</p> <ul style="list-style-type: none"> <li>(i) valuing each share as a rateable proportion of the total value of all the issued "A" shares "B" shares and "C" shares in the capital of the Company which value shall not be enhanced or discounted by reference to any provision of these Articles</li> <li>(ii) valuing each share as on an arm's length sale between a willing seller and a willing purchaser</li> <li>(iii) if the Company is then carrying on business as a going concern on the assumption that it will continue to do so and having regard to: <ul style="list-style-type: none"> <li>(a) the audited consolidated accounts of the Company for the accounting period ending on or next before the date at which</li> </ul> </li> </ul>

such valuation is to be made and

- (b) in the case of a certificate produced pursuant to Article 13 any assets acquired or liabilities incurred by or transactions entered into by the Group and any events or circumstances occurring between the date to which the latest audited consolidated accounts of the Company were drawn up and the date at which the auditors are required to give a certificate of Market Value;

and certified as being the Market Value of an ordinary share by the auditors of the Company in the latest auditors certificate produced under the provisions of Article 13

"the Office"

the registered office of the Company

"Operating Company  
Executive"

a Qualified Employee (as defined below) who holds a senior executive post in any Group Company

"paid up"

means, in relation to a share, that such share is paid up or credited as paid up

"the Price"

at any specified time, a price per share equal to

the Market Value as certified by the auditors in their most recent Certificate of Market Value or Interim Certificate of Market Value issued prior to the specified time pursuant to Article 13

"Principal Subsidiary

the principal subsidiary of the Company

"Qualified Employee"

at any specified time, any person who is an employee of any Group Company being an employee who satisfies at least one of the following conditions at the specified time:-

- (a) that he is required under the terms of his employment to work for any Group Company for at least 15 hours per week in aggregate; or
- (b) that as at 3rd January 1995 he was in the employment of the Company or the Principal Subsidiary and has been in continuous employment of that Company or any other Group Company since that date; and

in either case he has not in the relevant period of continuous employment been a temporary employee. (For the purpose of defining a Qualified Employee "continuous employment" shall be computed in accordance with the Employment Protection (Consolidation) Act 1978 Section 151 and schedule 13 as amended by the Employment Act 1980 and the Employment Act 1982 and a person shall be regarded as a

temporary employee if he is so designated in the payroll records of the relevant Group Company or by the terms upon which he is employed) provided that in relation to the definition of Eligible Candidate, condition (a) above shall be modified as if the words "unless he also satisfies condition (b) below" were deleted therefrom

"Routine Business" shall have the meaning ascribed to it in Article 40

"the Seal" the common seal of the Company

"the Secretary" the secretary for the time being of the Company and any other person appointed by the directors to perform any of the duties of the Secretary including a joint temporary or assistant secretary

"share" means a share in the capital of the Company of whatever class

"Special Business" shall have the meaning ascribed to it in Article 40

"Special Resolution" means a resolution which has been passed by a majority of not less than 75% of such members as (being entitled to do so) vote in person (whether on a poll or otherwise) or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice, specifying the intention to propose the resolution as a special resolution, has been given

"stated percentage"	one per cent
"subsidiary"	has the meaning ascribed by Section 736 of the 1985 Act as amended by Section 144 of the 1989 Act
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985
"a transfer"	<p>shall be deemed to include references to:-</p> <p>(a) a direction (whether by way of remuneration, nomination or otherwise) by a member entitled to an allotment of shares; and</p> <p>(b) a sale or other disposition of any beneficial interest in a share (whether for consideration or otherwise) by any person whether effected by instrument in writing or otherwise</p> <p>and cognate words and expressions shall be construed accordingly</p>
"Transfer Event"	<p>in relation to a shareholder any of the following:-</p> <p>(a) a shareholder ceasing to be an employee or an officer of any Group Company (in circumstances where he does not</p>

immediately become or continue to be an officer or employee of any Group Company); or

(b) a shareholder being declared bankrupt or making any composition or arrangement with his creditors

(c) a shareholder dying

"transfer notice" has the meaning attributed thereto in Article 12(1).

- 1.2 Words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification or amendment thereof not in force on the date of adoption of these Articles.
- 1.3 Words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.4 References to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs in the Article or references to sub-paragraphs of the paragraph in which the reference appears.
- 1.5 Any question whether a person is connected with another person shall be determined by applying the provisions of Section 839 of the Income and Corporation Taxes Act 1988.
- 1.6 Any question whether a person has an interest in any share shall be determined

in accordance with the provisions of Part I of Schedule 13 to the Act.

- 1.7 Where any amount is stated to be Index Linked it shall be adjusted annually on 1st January each year commencing on 1st January 1996 by a percentage equal to the percentage increase in the retail price index published by the Government to 31st March in the year in question from 31st March in the previous year.
- 1.8 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the regulations or these Articles.
- 1.9 References to current procedures and practices of the Group mean procedures and practices of the Group for the time being in force.

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#### TABLE A

The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association and in the case of any inconsistency the provisions of these Articles shall prevail and apply. References herein to regulations are to regulations in the said Table A.

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#### PRIVATE COMPANY

The Company is a private company and accordingly the Company shall not :-

- 3.1 offer to the public (whether for cash or otherwise) any shares in or debentures of the Company; or
- 3.2 allot or agree to allot (whether for cash or otherwise) any shares in or

debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

4

## SHARE CAPITAL

4.1 The share capital of the Company at the date of the adoption of these Articles is £3,000,000 divided into 2,600,000 "A" shares of £1 each, 376,000 "B" shares of £1 each, and 24,000 "C" shares.

4.2 The rights attaching to the respective classes of shares shall be as follows:-

4.2.1 As regards income, the profits of the Company available for the distribution which are determined to be distributed shall be applied among the holders of the "A" shares "B" shares and "C" shares pari passu;

4.2.2 Every dividend shall be distributed to the ordinary shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis;

4.2.3 As regards capital, on a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows :-

(a) first in paying to the holders of the "A" shares and to the holders of the "B" shares and to the holders of the "C" shares £1 per share;

(b) secondly, the balance of such assets shall be distributed amongst the holders of the "A" shares and "B" shares and "C" shares pari passu in proportion to the amounts paid up or credited as paid up on the shares held by them respectively;

4.2.4 As regards voting, the provisions of Articles 32 and 33 shall apply to "A" shares and "B" shares;

4.2.5 The "A" shares and the "B" shares shall have attached thereto such special rights as are provided for in Articles 5 and 35;

4.2.6 The "C" shares shall not carry any voting rights;

4.3 For the avoidance of doubt, the issue or allotment of any shares comprising the authorised but unissued share capital of the Company (other than pursuant to an express provision of these Articles permitting the same) shall be Special Business and the requisite approval by the directors set out in Article 40.4 must be obtained before any such issue or allotment of shares.

4.4 **SHARE SUBSCRIPTION BY NEW MEMBERS**

4.4.1 The Company may make in general meeting rules from time to time determining the necessary qualifications required for any employee to become a member ("the Rules"). Such qualifications may include requirements for minimum length of service with the Company, or any subsidiary of the Company, minimum hours worked per week, requirements for the purchase of certain quantities of shares in the Company or the maintenance of a loan account with the Company or any Employee Share Trust or such other conditions as the Company reasonably thinks fit.

5

**CLASS RIGHTS**

5.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated:

5.1.1 either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the

holders of not less than in the case of the "A" shares 60%, in the case of "B" shares 75% or in the case of any other class of share 75% in nominal value of the issued shares of that class, or with the sanction of in the case of the "A" shares a resolution passed by a majority of 60% of those holders entitled to attend and vote and in the case of any other class of share an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class; and

5.1.2 with the sanction of a special resolution of members holding shares of any class which carry a right to vote at general meetings passed at a separate general meeting of the holders of such shares;

and in relation to every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis apply.

5.2 Without prejudice to the generality of this Article, the special rights attached to the "A" shares shall be deemed to be varied:-

5.2.1 by the conducting of any Major Business, Important Business or Special Business; or

5.2.2 by the passing of, or the calling of a meeting of the Company to pass, an ordinary resolution to remove a person as an Employee Director unless such removal has been duly approved by all of the Employee Directors and by a resolution passed by a majority of 80% of the members who voted provided at least 75% of the members of the Company have voted on such a resolution; or

5.3 by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this article be a variation of the class rights of the "A" shares.

5.4 Without prejudice to the generality of this Article, the special rights attached to the "B" shares shall be deemed to be varied:-

5.4.1 by the conducting of any Important Business or Major Business otherwise than as permitted by Article 40; or

5.4.2 by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this article be a variation of the class rights of the "B" shares.

5.5 The "C" shares shall be redeemed in accordance with the following provisions:

5.5.1 The Company shall have the right to redeem at any time and from time to time the whole or any part of the "C" Shares for the time being issued and outstanding by giving to the holders thereof not less than 28 days' prior notice in writing of the date (the "Redemption Date") when such redemption is to be effected;

5.5.2 In the case of any partial redemption under sub-paragraph 5.5.1 above, the Company shall for the purpose of ascertaining the particular "C" shares to be redeemed cause a drawing to be made at the Company's Registered Office or at such other place as the Directors may decide in the presence of a representative of the Auditors for the time being of the Company;

5.5.3 Any notice given under sub-paragraph 5.5.2 above shall specify the particular shares to be redeemed, the applicable Redemption Date and the place at which the certificates for such shares to be presented for redemption and upon such Redemption Date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so

delivered to the Company includes any shares not to be redeemed on the relevant Redemption Date, a fresh certificate for such shares shall be issued free of charge to the holder delivering such certificate to the Company;

5.5.4 There shall be paid on each share so redeemed [the amount paid up] thereon together with a sum equal to all arrears of dividend thereon to be calculated down to and including the Redemption Date and to be payable irrespective of whether or not such dividend has been earned or become due and payable;

5.5.5 The receipt of the registered holder for the time being of any "C" shares or in the case of joint registered holders the receipt of any of them for the monies payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

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#### ALTERATION OF SHARE CAPITAL

Subject to Article 7 the Company may by special resolution:-

- 6.1 increase its authorised share capital by new shares of such amount as the resolution prescribes;
- 6.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 6.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- 6.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share

capital by the amount of the shares so cancelled.

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### **FURTHER ISSUES OF SHARES**

7.1 Subject to Articles 7.2 and 7.3 below, and subject to the provisions of the Act the shares comprising the initial share capital of the Company and all securities convertible into shares shall for a period of five years from the date of incorporation of the Company be at the disposal of the directors, who may during such period allot or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper. Sections 89(1), 90(1) to (5) and 90(6) of the Act shall not apply to the Company.

7.2 All new or unissued shares (including securities convertible into shares) shall subject to Article 7.3 below before issue be offered to the members in equal proportions. The offer shall be made by notice in writing specifying the number of shares offered and limiting the time (not being more than twenty-eight days) within which the offer if not accepted will be deemed to have been declined. Any member desiring to subscribe for shares in excess of his proportion may on accepting the offer state how many shares in excess of his proportion he desires to subscribe ; and if all the members do not claim their proportions of the said shares the unclaimed shares shall in the first instance be apportioned and allotted to the members desiring to subscribe therefor again in equal proportions without division into fractions, the shares representing such fractions shall not be offered to the members.

7.3 Notwithstanding Article 7.2 the directors shall either arrange for the EBT Trustees to offer for purchase, or shall on the terms set out in Article 7.4 offer for subscription, 8000 "A" shares to :-

7.3.1 any person who :-

(i) was not an employee of the the Company or the

Principal Subsidiary on 3rd January 1995; and

(ii) becomes a Qualified Employee after that date;

7.3.2 any person who :-

(i) was an employee of the Company or the Principal Subsidiary on 3rd January 1995; and

(ii) did not subscribe for any ordinary shares pursuant to the offer by the Company made on 19 November 1994; and

(iii) remains a Qualified Employee on 3rd January 1995 or such other date as the directors may determine;

7.4 Any such offer referred to in Article 7.3 shall be made:

7.4.1 in the case of a person referred to in Article 7.3.1, within three months of him becoming a Qualified Employee;

7.4.2 in the case of a person referred to in Article 7.3.2 within six months of 1st January 1995;

and shall be capable of acceptance in respect only of the whole of the 8000 "A" shares offered and in each case the price payable for each ordinary share purchased or subscribed for shall be the Price at the date of the relevant offer and upon acceptance of any such offer the directors may in relation to any acceptee who has accepted the offer and paid the price payable, either register the acceptance as the holder of, or allot and issue to the acceptee, the number of ordinary shares in relation to which the acceptee has accepted the offer.

The lien conferred by regulation 8 shall attach also to fully paid up shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all monies presently payable by him or his estate to the Company. Regulation 8 shall be modified accordingly.

#### LIMIT ON SHAREHOLDINGS

9.1 No share may be allotted to any person other than the EBT Trustees if as a consequence of such allotment that person would become the holder of more than 1% of the shares in the capital of the Company for the time being in issue.

9.2 No transfer of any share shall be registered in the name of any person other than the EBT Trustees if as a consequence of such transfer that person would become the holder of more than the 1% of the shares in the capital of the Company for the time being in issue.

#### TRANSFER OF SHARES

10.1 The directors shall refuse to register the transfer of any share unless such transfer is permitted by, or is made pursuant to and in accordance with this Article and Articles 11 and 12. The directors shall also refuse to register the transfer of any share which is prohibited under such Articles.

10.2 Subject to paragraphs 10.3 and 10.4, the directors shall not be entitled to decline to register the transfer of any share which is permitted by, or is made pursuant to and in accordance with Article 11 or Article 12.

10.3 For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles the directors may require the transferor or the person named as a transferee in any transfer lodged for registration to

furnish the Company with such information and evidence as the directors may think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

10.4 If a member or other person entitled to transfer a share at any time attempts to deal with or dispose of the share or any interest therein otherwise than in accordance with the provisions of Article 11 or Article 12 or in contravention of Article 11, he shall be deemed immediately prior to such attempt to have given a transfer notice in respect of such share.

10.5 Where a transfer notice in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the directors are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors receive actual notice of such facts and the provisions of Article 12 shall apply accordingly.

10.5.1 The directors may, in the absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted under these Articles if it is a transfer :-

- (i) of a share on which the Company has a lien;
- (ii) of a share (not being a fully paid share) to a person of whom they shall not approve;

The first sentence of regulation 24 shall not apply.

10.5.2 The directors shall refuse to register the transfer of a share:-

10.5.2.1 if as a result of registration of the transfer any person

(not being the EBT Trustees) would thereby become registered as the holder of shares carrying more than 1% of the votes attached to all the shares in the capital of the Company;

10.5.2.2 if the registration of the transfer would result in any share in the Company being held in the name of anyone other than :-

- (a) a Qualified Employee beneficially entitled to the share in question; or
- (b) the EBT Trustees.

10.6 Without prejudice to the generality of the foregoing no transfer of shares in the Company shall be made if the transferee is not the EBT Trustees or a Qualified Employee and notwithstanding anything to the contrary herein contained no offer of shares shall be made pursuant to Article 11 or Article 12 to anyone who is not the EBT Trustees or a Qualified Employee and accordingly references to persons registered as the holders of any shares at the date of any offer made pursuant to either of such Articles shall exclude anyone who is not such a person.

10.7 No person shall assign or otherwise dispose of any beneficial interest in any share of the Company other than to a Qualified Employee entitled to that share and no person shall mortgage or charge or enter into a memorandum of deposit of any shares in the capital of the Company save for the purpose of acquiring shares in the Company and then only with the prior written consent of the directors.

#### PERMITTED TRANSFERS

Subject always to Articles 10 and 12:-

11.1 any share may be transferred :-

11.1.1 by the EBT Trustees to any beneficiary of the EBT Trust pursuant to the terms of the EBT Trust (whether as a result of an offer made under Article 7 or otherwise);

11.1.2 by the EBT Trustees to any new trustees of the EBT Trust;

and any rights of pre-emption hereinafter conferred in these Articles shall not arise on the occasion of any such transfer.

11.2 a transfer of any share pursuant to this Article shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share free from all liens, charges and other encumbrances.

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#### DEEMED TRANSFERS

12.1 If a Transfer Event shall have occurred in relation to any Employee Member such Employee Member ("the proposing transferor") shall be deemed to have given a notice in writing ("transfer notice") to the directors that the proposing transferor desires to transfer all of the ordinary shares then held by him at the date of the Transfer Event ("the Transfer Shares") and irrevocably directing and appointing the directors to sell such shares on his behalf.

The transfer notice shall constitute the directors as the agents of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Event or at any time thereafter) at the Price (as hereinbefore defined) on the terms of this Article. Once deemed to have been given a transfer notice may not be revoked save with the prior written consent of all the other members of that class of shares.

12.2 Within 7 days after a transfer notice shall be deemed to have been given the

directors shall serve notice on the proposing transferor and the EBT Trustees notifying them that the same has been deemed to have been given and the transfer Shares shall be offered for purchase (as hereinafter provided) at the Price at the date of the Transfer Event.

12.3 Within 7 days of the notice given under Article 12.2 the Transfer Shares shall be offered for purchase at the Price at the date of the Transfer Event by the directors in the first instance to the EBT Trustees and any such offer shall comply with Article 12.5.

12.4 If all the Transfer Shares are not accepted by the EBT Trustees within the time limit specified in Article 12.5 then within 7 days after the expiration of such time as aforesaid the Transfer Shares shall be offered for purchase at the Price by the directors to those members who at the date of the offer are registered as the holders of shares of that class (other than:-

- (a) the proposing transferor; and
- (b) the EBT Trustees)

and in the case of competition, shall be sold to the acceptors in equal proportions (as nearly as may be without involving fractions or selling to any member a greater number of Transfer Shares than the maximum number applied for by him). If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, they shall be offered for purchase by the EBT Trustees, and if such Transfer Shares shall not be accepted by the EBT Trustees within the time limit specified in Article 12.5 then within 7 days after the expiration of such time as aforesaid, the same shall be offered amongst the acceptors in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.

12.5 Any offer made pursuant to Articles 12.3 or 12.4 shall be made by notice in

writing and shall specify :-

- (a) the number and class of the Transfer Shares;
- (b) the proportionate entitlement of the relevant member (on the assumption that there will be competition for the Transfer Shares);
- (c) the Price at the date of the relevant Transfer Event; and
- (d) a period (being not less than 21 days and not more than 42 days) within which the offer must be accepted or shall lapse

12.6 If by the foregoing procedure the directors shall not receive acceptances from members in respect of all of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor and the proposing transferor shall not be free to transfer the balance of the Transfer Shares in respect of which acceptances have not been received ("the Remaining Transfer Shares") otherwise than in accordance with these Articles but the directors shall at any time thereafter be free to resolve that a transfer notice shall be deemed to have been given in respect of the Remaining Transfer Shares in which event the Remaining Transfer Shares shall again be offered for sale in accordance with the foregoing provisions of this Article 12.

12.7 If and as soon as the Company shall have found purchasers for all or any of the Transfer Shares offered pursuant to this Article who shall have accepted offers pursuant to sub-articles 12.3 or 12.4 the Company shall give notice in writing to the proposed transferor of the identity of the persons who have accepted any Transfer Shares pursuant to this Article ("the Purchasers") and the number of shares which each of the Purchasers is entitled to purchase and the time, date and place at which the purchase of the Transfer Shares is to be completed and shall send a copy of such notice to each of the Purchasers. At the time, date and place stipulated in such notice the Purchasers shall tender

the Price for each of the Transfer Shares which they have agreed to purchase and thereupon the proposing transferor shall deliver duly executed transfers of the Transfer Shares in the numbers in which the Purchasers have agreed to purchase the same and shall surrender to the Company his certificate for the Transfer Shares.

12.8 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (who shall be deemed to be the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any monies so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

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

13

### ANNUAL VALUATION

13.1 After the end of each financial year when the accounts and if relevant consolidated accounts of the Company and the directors report in accordance with the provisions of the Act and the auditors of the Company having made their part pursuant to Section 236 of the Act the accounts (including any relevant consolidated accounts) have been approved by and signed on behalf of the Board in accordance with section 233 of the Act the Board shall request

the auditors to value the shares in the Company and to prepare and deliver to the Board a certificate of Market Value ("Certificate of Market Value"). In preparing and giving any Certificate of Market Value the auditors shall act as experts and not arbitrators and their determination of Market Value shall be binding on all members under the provisions of the Articles.

- 13.2 Within 7 days of receipt of any Certificate of Market Value under Articles 13.1 or 13.3 the Board shall issue to the members of the Company holding ordinary shares a notice in writing specifying the Market Value.
- 13.3 In the event that the Board so resolves at any time at its discretion the auditors of the Company shall prepare an auditor's certificate revising the latest Certificate of Market Value produced pursuant to Article 13.1 so as to re-assess Market Value as at the date stipulated in that resolution. A certificate under this Article 13.3 shall be called an Interim Certificate of Market Value but shall in all respects be treated as a certificate prepared in accordance with Article 13.1.
- 13.4 The Board shall cause an Interim Certificate of Market Value to be prepared pursuant to Article 13.3 as at a date as nearly as possible six months after the date at which the most recent Certificate of Market Value prepared in accordance with Article 13.1 has been prepared.

### GENERAL MEETINGS

- 14 All general meetings other than annual general meetings shall be convened as extraordinary general meetings.
- 15 The Board may following a resolution of the Board to that effect at any time call a meeting of the members of the Company.
- 16 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All

other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:-

- 16.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- 16.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95% in nominal value of the shares giving that right.
- 17 The notice of a general meeting shall specify the time and the place of the meeting and the general nature of the business and particulars of any special business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
- 18 Subject to the provisions of the Articles and to any restrictions imposed by any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.
- 19 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

- 20 No business shall be transacted at any meeting of the members unless a quorum is present. 42 persons entitled to vote upon the business to be transacted, 40 being "A" Shareholders and 2 being "B" Shareholders each being a member or a proxy for a member or a duly authorised representative of a corporation shall be a quorum.
- 21 The Chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as a chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after

the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, the shall be chairman.

22 If 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.

23 Except in the case of Major Business a resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded :-

23.1 by the Chairman;

23.2 by any director of the Company;

23.3 by not less than 10 members having the right to vote at the Meeting or by members who hold together shares representing not less than 7 per cent of all votes which may be cast by members entitled to vote at that meeting

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

24 Unless a poll is duly demanded or the matter in question is Major Business 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 minute book of the meeting shall be conclusive evidence of the fact of the number or proportion of the votes records of or against the resolution.

25 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.

- 26 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll on any other question not being Major Business shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded.
- 27 The requirement 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 is required. 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.
- 28 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 29 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 30 In the case of an equality of votes, whether on a show of hands or on a poll, the resolution shall fail.
- 31 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

### VOTING

- 32 Subject as provided in Article 33 on a show of hands every member holding an "A"

share or a "B" share or "A" shares or "B" shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every "A" share or "B" share of which he is the holder.

- 33 Except in the case of any share of which the EBT Trustees are the holder no vote shall be capable of being exercised in respect of any share which is either registered in the name of a member who is not a Qualified Employee or who has ceased to be a Qualified Employee.

34 DIRECTORS

- 34.1 The number of directors (other than alternate directors) shall not be less than 5 and the maximum shall be 7.
- 34.2 The maximum number of Executive Directors appointed in accordance with Article 35 shall at all times be 5.
- 34.3 The maximum number of Employee Directors appointed in accordance with Article 36 shall be 2.
- 34.4 The directors may by resolution in favour of which all of the directors have voted appoint a person (not being an employee of any Group Company) as a non-executive director of the Company and any such person so appointed shall subject to Article 34.5 hold office for a period of two years and shall (unless re-appointed in accordance with these Articles) forthwith retire and cease to hold office at 5.00 pm on the second anniversary of the date of his appointment.
- 34.5 No director shall be appointed except in accordance with this Article or Articles 35 and 36 hereof and every director so appointed shall hold office until removed in the manner provided by the appropriate Article or upon his

death or if he vacates his office pursuant to regulation 81 and Article 40 and neither the Company in general meeting nor the directors shall have power to fill any such vacancy save in accordance with this Article or Articles 35 or 36.

34.6 The directors shall be subject to retirement by rotation and accordingly regulations 73 to 75 shall apply.

34.7 No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply.

### 35 APPOINTMENT AND REMOVAL OF EXECUTIVE DIRECTORS

35.1 A director appointed under this Article 35 shall be an Executive Director.

35.2 An Executive Director shall be appointed by a resolution passed by a majority of the holders of the "B" shares.

35.3 The holders of the "B" shares may remove an Executive Director upon a resolution in favour of such removal.

35.4 Any decision by the holders of the "B" shares as to the appointment or removal of an Executive Director shall be determined by a vote of the majority of them taken at a meeting to which all of the holders of "B" shares are invited by at least seven days clear notice to attend and the holder of each "B" share shall have one vote. The Employee Directors shall be entitled to attend any such meeting but they shall not be entitled to vote.

35.5 After the period of three years or after the loan from Barclays Bank is repaid whichever is the sooner from the date of adoption of these Articles an Executive Director may also be removed by the passing of an ordinary resolution which has been approved in the following manner:

(a) by a written notice of removal served on the Secretary of the Company

at its registered office which has been signed by all the Employee Directors; and

- (b) by a resolution in favour of which 80% of the members of the Company who have voting rights have voted provided at least 75% of all the members of the Company must have voted at such a poll.

35.6 Notice in writing of any decision under this Article 35 regarding the appointment or removal of an Executive Director shall be given to the Company without delay at its registered office.

35.7 If there shall be any vacancy for an Executive Director, the Executive Directors shall as soon as practicable so long as it is in the interests of the Company so to do take all necessary steps to fill such vacancy.

35.8 Upon any person ceasing to be an Executive Director, the provisions of Article 12 shall apply concerning the transfer of the "B" share held by such person.

35.9 The first Executive Directors shall be :-

1. Clifford Layton Jones
2. Anthony Shott

## 36 APPOINTMENT AND REMOVAL OF EMPLOYEE DIRECTORS

36.1 If at any time any Employee Director ceases to be an Employee Director the holders of the "A" shares shall proceed forthwith to make arrangements to hold an election in accordance with this Article 36 and Articles 38 to determine who will become the new Employee Director in his place.

36.2 No person shall be appointed or if already appointed shall continue as an Employee Director if he is not a Qualified Employee who is an Employee Member in respect of at least one share in the Company.

36.3 Subject to the remaining provisions of this Article concerning the removal or retirement of Employee Directors, each Employee Director shall hold office for a period of three years and shall (unless re-appointed in accordance with these Articles) forthwith retire and cease to hold office at 5.00 pm on the third anniversary of the date of his appointment.

36.4 The appointment of any person to the office of Employee Director whether to fill any vacancy as a result of the retirement of an Employee Director or for any other reason shall be in accordance with this Article 36.

37

37.1 An Employer Director who by virtue of the terms of his service contract with the Company which is entered into after the date upon which he became an Employee Director is employed as an Executive Director shall not be eligible to act as an Employee Director and he shall forthwith automatically cease to be an Employee Director upon becoming an Executive Director.

37.2 Any Employee Director who ceases to be the holder in his own name of at least one share in the Company shall vacate office as an Employee Director forthwith.

37.3 Any Employee Director shall be appointed by a resolution passed by a majority of the holders of the "A" shares.

37.4 Any Employee Director may be removed from office by the holders of the "A" shares.

38

#### ELECTION OF EMPLOYEE DIRECTORS

38.1 This Article sets out the procedure for the election and appointment of Employee Directors.

38.2 The first Employee Directors shall be Tyrone O'Sullivan and Phillip White.

38.3 In relation to any election required to fill the vacancy for an Employee Director any Employee Member who is an Eligible Candidate may stand as a candidate for such election and may nominate any such person as a candidate.

38.4 No Employee Member may stand as a candidate for election as an Employee Director unless he is an Eligible Candidate and unless:-

(a) he confirms in writing to the Directors his readiness to stand as a candidate for election to the office of Employee Director; and

(b) he is nominated in writing by not fewer than 10 holders of "A" shares.

#### **DISQUALIFICATION OF DIRECTORS**

39 Regulation 81 shall be modified by adding at the end thereof the following subparagraph (f):-

"(f) he ceases to be in full time employment with the Company or any company in the Group".

40

#### **POWERS OF DIRECTORS**

40.1 In these Articles the following expressions shall bear the following meanings attached to them respectively:-

40.1.1 "Major Business" shall mean any of the following business or transactions:-

(a) the sale of any of the shares in the capital of the Company other than in accordance with the provisions of these Articles or the sale or disposal by the Company of any shares in the capital of any subsidiary of the Company;

- (b) the sale by the Company or by any subsidiary of the Company of a substantial part of any freehold or leasehold interest in the land and buildings at Tower Colliery, Hirwaun which are currently vested in the Principal Subsidiary;
- (c) the winding-up or dissolution of the Company or of any subsidiary of the Company;
- (d) any increase in or the granting of options over or consolidation or sub-division or alteration or variation or reduction of the authorised or issued share capital of the Company unless the same is expressly permitted by these Articles of Association or any alteration or variation of any of the rights attached to any shares in the capital of the Company or the issue by the Company of any shares or rights to subscribe for shares which rank in priority to the ordinary shares whether as regards dividends, rights to a return or capital in a winding-up, voting rights at any general or other meeting or otherwise;
- (e) any change in the status of the Company to a public limited company or any application to have any shares in the capital of the Company listed or admitted to dealing on the Stock Exchange or the Unlisted Securities Market or any other recognised stock exchange;
- (f) the establishment by the Company of any employee share scheme or profit sharing scheme for the benefit of all or any of the employees of the Company or any subsidiary of the Company;
- (g) any change or amendment to the Memorandum or Articles of Association of the Company.

40.1.2 "Important Business" shall mean any of the following business or transactions :-

- (a) the sale or disposal by any company in the Group (other than to another company in the Group) of either:-
  - (i) any trade, business or undertaking or any part thereof having a value in excess of £500,000 (such sum to be Index Linked);
  - (ii) any asset (or assets of a similar nature) having a value in excess of £500,000 (such sum to be Index Linked);
- (b) any purchase by the Company of any shares for the time being forming part of the issued share capital of the Company;
- (c) any change or amendment to the Memorandum or Articles of Association of any subsidiary of the Company;
- (d) the payment of any monies by the Company or by any subsidiary of the Company (whether by way of loan or gift or otherwise) to the EBT Trust or to any employee share scheme, profit sharing scheme or share option scheme for the time being operated by the Company or by any subsidiary of the Company;
- (e) any amendments to the rules of the EBT Trust or to any employee share scheme, profit sharing scheme or share option scheme for the time being operated by the Company or by any subsidiary of the Company;
- (f) any removal by the Company of any of the trustees of the EBT Trust or of any employee share scheme, profit sharing scheme or share option scheme for the time being operated by the

Company or by any subsidiary of the Company.

40.1.3 "Special Business" shall mean any of the following business or transactions :-

- (a) the issue or allotment of any shares in the capital of the Company or of any subsidiary of the Company (other than pursuant to an express provision of these Articles permitting the same);
- (b) the acquisition by the Company of any share in the capital of any other company;
- (c) the declaration or payment of any dividend by the Company to or for the benefit of any of its shareholders or the making of any distribution by the Company (which shall be deemed to include every description of distribution of any of the Company's assets to its members whether in cash or in specie or otherwise);
- (d) the making or granting by the Company or by any of its subsidiaries of any loan in excess of £20,00 to any person who is not a member of the Group;
- (e) the giving of any guarantee or security by the Company or any other member of the Group in respect of any liability or obligation having a value in excess of £20,000 other than for the benefit of any member of the Group or other than for the benefit of any member of the Group or other than to facilitate the acquisition of shares in the Company by any employee of the Company or of any subsidiary of the Company in accordance with any employee share scheme which has been approved as Major Business;

- (f) the disposal by any member of the Group (other than to another member of the Group) of any freehold or leasehold interest in land;
- (g) the entering into of any Director Related Contract or any variation of such a contract;
- (h) the commencement or acquisition by the Company or any other member of the Group of any new business, trade or undertaking which is not connected with the mining industry or the acquisition of any share in the capital of any company which carries on a business or trade which is not connected with the mining industry;
- (i) the calling of board meetings less frequently or by shorter notice than is provided for by Article 48 except in the case of urgency;

40.1.4 "Routine Business" shall mean any business or transaction which does not constitute Major Business or Important Business of Special Business.

40.2 No Major Business shall be transacted unless the same has been approved by a majority of the Executive Directors and by a Special Resolution (as defined in Article 1.1) passed by the members of the Company.

40.3 No Important Business may be transacted unless the same has been approved by a majority of the Executive Directors and by all of the Employee Directors.

40.4 No Special Business may be transacted unless the same has been approved by a majority of the Executive Directors and by all of the Employee Directors.

40.5 Subject to the preceding provisions of this article, all Routine Business shall

be transacted and managed by the directors who may exercise all the powers of the Company in relation thereto and any question arising concerning Routine Business shall be decided by a majority of votes of the directors. The first sentence of Regulation 70 shall not apply.

41

#### REMUNERATION OF DIRECTORS

- 41.1 The remuneration of the Executive Directors shall be increased annually by the same percentage as the remuneration of other employees of Group Companies is increased but subject thereto the remuneration of the Executive Directors and the entering into of, or the variation of the terms of, any employment agreement between any Group Company and any of the Executive Directors (and any question concerning any such matter) shall be determined or decided upon by a resolution of the directors provided always that if at least two of the Employee Directors have voted against such resolution then notwithstanding the passing of any such resolution it shall not be of any force or effect unless so determined by an expert in the manner provided for below. If at least two of the Employee Directors shall have voted against any such resolution then any Executive Director or any Employee Director shall be entitled within thirty days after the date of the resolution to require the matter or question resolved upon ("the relevant matter") to be referred to an expert for final determination and no action shall be taken by any Group Company or the directors in relation to the relevant matter until the expert has made his final determination.
- 41.2 The said expert shall be such person as shall be appointed in writing by the agreement of the Executive Directors and the Employee Directors who have voted against the said resolution or, failing such appointment within fourteen days of service of the notice referred to in Article 41.1, appointed by the auditors of the Company as being the most appropriate person to determine the relevant matter which is in dispute or if they shall be unable or unwilling to make such appointment, by the President for the time being of the Institute of Chartered Accountants in England and Wales (in either of the latter cases upon the application at any time of any Executive Director or any Employee

Director). The expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the Company and the directors.

41.3 The directors shall supply the expert with any information which he may request in connection with his determination and the expert shall give due weight to any written representations put forward by any of the directors received by him within such time limit as he may determine but the expert need not give any reasons for his decision.

41.4 The expert shall determine what course of action in relation to the relevant matter in dispute which in all these circumstances it would be appropriate for the Group to take in the best interests of the Group. In reaching his determination the expert shall so far as possible, in relation to any relevant matter concerning a particular Executive Director balance the interests of the Executive Director fairly having regard to the condition of the employment market the level of emoluments which the Group would have to offer to any person to attract him to the Group as a replacement for the Executive Director, the level of emoluments paid or offered by other organisations providing passenger transport services, the responsibilities of and the duties required to be performed by the Executive Director and his actual record of performing such duties, but he shall not put the interests of any Executive Director before those of the Group.

41.5 In giving his decision the expert shall be entitled to specify any matters which he considers, in his absolute discretion, should be implemented or otherwise transacted in order to give commercial efficacy to his determination.

41.6 Forthwith upon receiving the experts determination, the directors shall exercise their powers in relation to the Group to procure that the Group complies with the expert's determination and with any directions contained therein.

41.7 The fees and expenses for the expert shall be paid by the Group.

41.8 The Executive Directors shall not be entitled by virtue of holding office as an Employee Director to receive any remuneration in addition to the remuneration receivable by them in their capacity as employees.

42 Regulation 82 shall not apply.

### **PROCEEDINGS OF DIRECTORS**

43 Subject to the provisions of the Articles:-

43.1 the directors may regulate their proceedings as they think fit.

43.2 a director may, and the secretary at the request of a director shall, call a meeting of the directors.

43.3 questions arising at a meeting of the directors shall be decided by majority of votes and in the case of an equality of votes, the resolution shall fail.

43.4 a director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

### **CHAIRMAN**

44 The chairman of the board of directors and of the Company shall be such of the directors as is elected as chairman by an ordinary resolution passed by the majority of the holders of the "A" shares and "B" shares and any person so appointed to such office may be removed in like manner. Unless he is unwilling to do so, the Chairman shall preside at every meeting of directors at which he is present but if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the managing director shall be chairman of the meeting or in his absence the directors present may appoint one of their number to be chairman of the meeting.

## **DEFECTS IN APPOINTMENT**

- 45 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

## **RESOLUTION IN WRITING OF DIRECTORS**

- 46 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 and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.

## **QUORUM FOR BOARD MEETINGS**

- 47 The quorum for meetings of the directors may be fixed by the directors and unless so fixed at any other number shall be 4 which shall comprise at least two Executive Directors and one Employee Director. If a quorum is not present within half an hour from the time appointed for the meeting of the directors, the meeting shall stand adjourned to the day 3 days after the meeting and at the same time and place or to such time and place as the directors may determine. At any such adjourned meeting of directors, the quorum shall be 3 and the directors may proceed with the adjourned meeting notwithstanding that none of the Executive Directors or nor of the Employee Directors (as the case may be) is present.

## **NOTICE FOR BOARD MEETINGS**

- 48.1 Meetings of Board of Directors shall take place no less frequently than once every calendar month and subject to Article 48.3 at least 5 clear days written

notice of each such meeting shall be given to each director provided that with the consent of a majority of the directors including at least two Employee Directors Board Meetings may be called less frequently or by shorter notice than stated above and save that notice of such Meetings need not be given to a director who is absent from the United Kingdom.

48.2 In the case of exceptional urgency a Board Meeting may with the consent of a majority of the directors entitled to attend that meeting be convened on notice of less than twenty four hours provided that notice is given in writing or by fax or telex or orally to all directors then in the United Kingdom.

48.3 At least 14 clear days written notice of a Board Meeting shall be given to each director at which any Important Business or Major Business is to be considered or resolved upon at least 48 hours notice shall be given of the time, date and place to which a board meeting has been adjourned to those directors not present at the meeting which was adjourned.

49

#### INDEMNITY

49.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other office of the Company shall be entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in or about the execution of his duties or in the exercise of his powers or otherwise in connection with his office including, but without prejudice to the generality of the foregoing, any liability incurred by him (a) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part, or (b) in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company. No director or other office shall be liable for any loss damage or misfortune which may happen to or be

incurred by the Company in the execution of the duties of his office, This Article shall have effect so far as its provisions are not avoided by Section 310 of the Act.

- 49.2 The directors shall have power to purchase and/or maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether director or indirect or which is in any way allied to or associated with the Company and/or with any subsidiary undertaking of the Company and/or with any such other company, or who are or were at any time trustees of any retirement benefits scheme or employee benefit trust or employees' share scheme in which any employees of the Company or of any such other subsidiary undertaking or other company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other subsidiary undertaking or other company, retirement benefits scheme or employee benefit trust.

### MISCELLANEOUS

On or before the third anniversary of the date of adoption of these Articles or within three months of the date upon which all sums due and owing to the Company's bankers have been repaid in full whichever is the later the Directors of the Company shall convene a meeting of each class of shareholders in order to pass any requisite resolution providing for the rights attaching to the "A" shares and "B" shares to be modified so that each class of shares carries the same class rights as ordinary shares and shall rank *pari passu* in all respects.