

EXECUTION VERSION

Company No 02989602

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS  
of  
ENTERTAINMENT ONE UK LIMITED  
(the "**Company**")

Passed on **28** October 2011

Pursuant to Part 13, Chapter 2 Companies Act 2006

- Resolutions 1 and 2 below were passed as ordinary resolutions (together the "**Ordinary Resolutions**"), and
- Resolution 3 below was passed as a special resolution (the "**Special Resolution**")

#### ORDINARY RESOLUTIONS

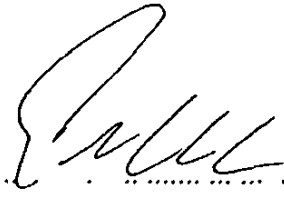
- 1 THAT it is in the best interests of, and to the further benefit and advantage of, the Company to enter into the following documents (together the "**Fourth Amendment Documents**")
  - (a) a fourth amendment agreement relating to a credit agreement dated 19 September 2008 (as amended) (the "**Credit Agreement**") to be entered into between, amongst others, JPMorgan Chase Bank, N A as administrative agent and issuing bank, the Lenders referred to therein, Entertainment One UK Holdings Limited and certain of its subsidiaries (including the Company) (the "**Fourth Amendment Agreement**"), and
  - (b) a debenture to be entered into between, amongst others, the Company and JPMorgan Chase Bank, N A as administrative agent,and all such other deeds, certificates, instruments, notices, consents, requests, mandates and other documents to be executed in connection with the Fourth Amendment Documents, and that they be approved
- 2 THAT the directors and/or the secretary (as appropriate) of the Company be and hereby are empowered, authorised and directed to execute the Fourth Amendment Documents and to take any action they consider necessary or advisable in connection with the Fourth Amendment Documents, including for the avoidance of doubt agreeing, executing or delivering any ancillary documents as may be required

#### SPECIAL RESOLUTION

- 3 THAT the new Articles of Association of the Company in the form attached hereto be and are hereby adopted with immediate effect as the Articles of Association of the Company in substitution for the existing Articles of Association



EXECUTION VERSION

A handwritten signature in black ink, consisting of a large, stylized initial 'R' followed by several loops and a final horizontal stroke.

Director

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION**

OF

**Entertainment One UK Limited**

Registered Number 02989602

Incorporated the 14th day of November 1998

Adopted by Written Resolution on

28 October 2011

---

## ARTICLES OF ASSOCIATION

OF

### Entertainment One UK Limited

(Adopted by Written Resolution passed on 28 October 2011)

---

## INTERPRETATION

1 1.1 In these Articles, unless the context otherwise requires

<b>A Consent</b>	means the written consent of the holders of the majority of the A Shares,
<b>A Director</b>	means an A director appointed by the majority of the A Shareholders pursuant to Article 4.4.1.1,
<b>A Shareholder</b>	means a Member who holds A Shares acting in his capacity as a holder of A Shares and not in his capacity as a holder of any other class of Shares,
<b>A Shares</b>	means A ordinary Shares of 25p each in the capital of the Company,
<b>Act</b>	means the Companies Act 1985 (as amended by the Companies Act 1989) including any statutory modification or re-enactment thereof for the time being in force,
<b>acting in concert</b>	bears the same meaning as that ascribed by the Code save that the parties to the Shareholders Agreement shall not be deemed to be acting in concert solely by reason of their having executed and their acting in accordance with the Shareholders Agreement,
<b>Associate</b>	in relation to a corporate Member means the wholly-owned subsidiary of that Member or, as the case may be, the company of which that Member is a wholly-owned subsidiary and any other wholly-owned subsidiary of such holding company from time to time,
<b>Auditors</b>	means the auditors of the Company from time to time,
<b>B Consent</b>	means the written consent of the holders of the majority

	of the B Shares,
<b>B Director</b>	means a B director appointed by the majority of the B Shareholders pursuant to Article 4.4 1 2,
<b>B Shareholder</b>	means a Member who holds B Shares acting in his capacity as a holder of B Shares and not in his capacity as a holder of any other class of Shares,
<b>B Shares</b>	means B convertible ordinary Shares of £1 00 each in the capital of the Company,
<b>Bad Leaver</b>	<p>means a Leaver where the cessation of employment occurs within five years of the date of adoption of these Articles of Association or in any other case is as a result of the relevant Member</p> <ul style="list-style-type: none"> <li>(a) resigning (other than as a result of permanent incapacity due to ill health (save where such ill-health arises as a result of an abuse of drink or drugs) and other than as a result of his constructive or unfair dismissal), or</li> <li>(b) being dismissed in circumstances where the Company is not liable to pay him compensation for the cessation of his employment other than compensation required by statute or statutory instrument for redundancy</li> </ul> <p>For the avoidance of doubt, other than in circumstances where a Leaver has ceased to be employed by the Company within two years of the date of adoption of these Articles of Association such a leaver is not a Bad Leaver</p> <ul style="list-style-type: none"> <li>(i) if he ceases to be employed as a result of his death,</li> <li>(ii) if he is dismissed by reason of his being absent from work due to ill health (save for ill health which arises as set out in (a) above), or</li> <li>(iii) if he ceases to be employed following the expiry of notice terminating his employment in accordance with the terms of his contract of employment or following termination by the Company with payment in lieu of notice, or</li> <li>(iv) he retires once he has reached the age of 65,</li> </ul>
<b>Board</b>	means the directors of the Company from time to time or the directors present at a meeting of directors at which a

---

---

	quorum is present or any duly authorised committee thereof,
<b>Borrowings</b>	bears the meaning set out in Article 167,
<b>Business Day</b>	means a day on which banks are open for inter-bank business in the City of London and Edinburgh,
<b>C Shareholders</b>	means a Member who holds C Shares acting in his capacity as a holder of C Shares and not in his capacity as a holder of any other class of Shares,
<b>C Shares</b>	means C convertible Shares of £1 each in the capital of the Company,
<b>Chairman</b>	means the chairman of the Board from time to time,
<b>clear days</b>	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,
<b>Code</b>	means the December 1996 edition of the City Code on Take overs and Mergers published by the Panel on Take-overs and Mergers as amended from time to time,
<b>Connected Person</b>	bears the meaning ascribed thereto in s 839 of the Income and Corporation Taxes Act 1988 and " <b>persons connected</b> " and " <b>connected</b> " shall be construed accordingly,
<b>Control</b>	bears the meaning ascribed thereto in s 416 Income and Corporation Taxes Act 1988 and " <b>controlled</b> " shall be construed accordingly,
<b>Conversion</b>	means the conversion of B Shares, C Shares and D Shares in accordance with the provisions of Article 4 5,
<b>Conversion Date</b>	means the date of the first occurring Conversion Event,
<b>Conversion Event</b>	means Floatation, Sale or Liquidation,
<b>D Shareholders</b>	means a Member who holds D Shares acting in his capacity as a holder of D Shares and not in his capacity as a holder of any other class of Shares,
<b>D Shares</b>	means D convertible Shares of £1 each in the capital of the Company,
<b>Fair Price</b>	means the price per Share determined in accordance with Article 166,

<b>Family Trust</b>	<p>means in relation to any A, B, C or D Shareholder a trust, whether arising</p> <ul style="list-style-type: none"> <li>(a) under a settlement inter vivos, or</li> <li>(b) under a testamentary disposition by whomsoever made, or</li> <li>(c) on intestacy,</li> </ul> <p>in respect of which Shares are held under which no beneficial interest in the Shares in question is for the time being vested in any person other than the Member concerned or the wife or husband or child or grandchild of such Member and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees or the Member concerned or the wife or husband or child or grandchild of such Member,</p>
<b>Financial Advisers</b>	means the merchant bank, broker or other person appointed by the Board to sponsor a Floatation,
<b>Financial Period</b>	means any period of twelve months commencing on 1 <sup>st</sup> April in each year
<b>Floatation</b>	means the admission of any A Shares to the Official List of the London Stock Exchange, or the granting of permission for any of the A Shares to be dealt in on any other public securities market (including the AIM) and "float" shall be construed accordingly,
<b>Fresh Issue</b>	means any shares, loan stock, debenture or other security of the Company subscribed for by the Investors or any of them subsequent to the date of adoption of these Articles and before the Conversion Date,
<b>FSA</b>	means the Financial Services Act 1986 and the Financial Services and Markets Act 2000,
<b>Good Leaver</b>	any Leaver other than a Bad Leaver,
<b>Investors</b>	means the holders of B shares and their respective permitted assignees and successors,
<b>Leaver</b>	means any holder of C Shares or D Shares (which shall for the purposes of this definition take into account any C Shares or D Shares held by a permitted transferee of any C Shareholder or D Shareholder) who is employed by the Company or any of its subsidiaries from time to time and who dies or who ceases to be an employee of any such company and does not continue (or is not

immediately re-employed) as an employee of any other such company In this definition and in the definition of "**Bad Leaver**" any reference to the date of cessation of employment (or similar) shall be the date upon which the relevant person gives or is given notice of termination of his contract of employment and is no longer required to perform his duties under his employment contract in respect of the Company or its subsidiaries,

<b>Liquidation</b>	means the making of a winding-up order by the court or the passing (with the consents referred to in Article 4 3 1 of a resolution by the Members that the Company be wound up,
<b>Listing Price</b>	means the price per share at which any New Ordinary Shares are sold, offered to be sold or offered as stated in any document required to be published in accordance with Part IV of the Financial Services Act 1986 or the Public Offers of Securities Regulations 1995 or any equivalent document required in any jurisdiction in connection with a Floatation (in the case of an offer for sale being the underwritten price or, in the case of an offer for sale by tender, the striking price under such offer and in the case of a placing the price at which New Ordinary Shares are sold under the placing),
<b>London Stock Exchange</b>	means London Stock Exchange Limited,
<b>Member</b>	means a member of the Company,
<b>New Ordinary Shares</b>	means the ordinary Shares of £1 00 each in the capital of the Company arising on Conversion and having the rights set out in Article 4 5 3,
<b>Office</b>	means the registered office of the Company from time to time,
<b>Paid up Amount</b>	means the amount paid up or credited as paid up disregarding any premium,
<b>Register</b>	means the Register of Members,
<b>Sale</b>	means the sale of 60% or more of the A Shares to any buyer or buyers connected with each other or buyers acting in concert with each other,
<b>Schedule</b>	means the schedule to these Articles of Association,
<b>Shareholder</b>	means a Member,
<b>Shareholders Agreement</b>	means the agreement to be dated on or around the 24 July 2001 between (1) the Company, (2) the Investors,

and (3) the Executives (as therein defined) as amended or varied from time to time in accordance with the provisions thereof,

<b>Shares</b>	means shares in the capital of the Company,
<b>SSAP</b>	means a Statement of Standard Accounting Practice published by the Accounting Standards Committee and in force from time to time,
<b>Table A</b>	means Table A set out in the Companies (Tables A to F) Regulations 1985 as amended,
<b>the Group</b>	means the Company and its subsidiaries from time to time and member of the Group shall be construed accordingly,
<b>Transfer Notice</b>	means a notice in writing to the Company given by a Member or person proposing to transfer any Share or dispose of any interest in any Share or deemed to be given by a Member in accordance with the provisions of these Articles, and
<b>Voting Rights</b>	means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) at and vote (in person or by proxy) at general meetings of the Company

- 1 2 References to writing include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form
- 1 3 Any words or expressions defined in the Act or the Insolvency Act 1986, in either case as at the date when these Articles are adopted will where the context permits bear the same meaning in these Articles
- 1 4 References in these Articles to the serving of notices by any particular method shall be construed as permissive only and shall not exclude the actual service or delivery of notice by any other means
- 1 5 Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and, where an extraordinary resolution is required, a special resolution shall also be effective

## **PRELIMINARY**

- 2 The provisions of Table A shall be excluded in whole from applying to the Company.

## **SHARE CAPITAL**

3. At the date of adoption of these Articles the authorised share capital of the Company is £246,400 divided into.

- 3 1 204,800 25p A Shares,
- 3 2 115,200 £1 B Shares,
- 3 3 76,000 £1 C Shares, and
- 3 4 4,000 £1 D Shares

## **THE SHARES**

- 4 Save as otherwise provided in these Articles, the A Shares, the B Shares, the C Shares and the D Shares shall rank *pari passu* in all respects but shall constitute separate classes of Shares

- 4 1 **Income**

C Shareholders and D Shareholders shall not be entitled to receive any dividends or other distribution in respect of the C Shares or the D Shares.

- 4 2 **Capital**

- 4 2 1 The capital and assets of the Company on a winding-up or other return of capital shall firstly be applied among the A Shares, B Shares, C Shares and D Shares pro rata in relation to the Paid Up Amount upon each such Share

- 4 2 2 To the extent there remains any residual capital or assets following repayment of the Paid Up Amount in respect of the Shares as directed above, such residual capital and/or assets shall be applied among the A, B, C and D Shareholders pro rata in relation to the percentage of the equity share capital carrying Voting Rights held by the A, B, C and D Shareholders.

- 4 3 **Class Rights**

- 4 3 1 In addition to any other approval required by law or these Articles, those matters set out in the Schedule as requiring B Consent shall require the consent of the holders of not less than half in nominal value of the B Shares given in accordance with Article 4 3 2 or by an Ordinary Resolution of the holders of B Shares in issue at a separate meeting of the holders of that class of Shares

- 4 3 2 Any Consent required by Article 4 3 1 shall be in writing and may consist of one document or several documents whether or not in like form The Company shall seek such consent after the matter requiring such consent has been considered at a duly convened meeting of the directors by giving to each B Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by the recommendation of the Board with regard to the decision to be made

- 4.3 3 The power to give any consent required by Article 4 3 1 may from time to time be delegated by holders of not less than half in nominal value of the B Shares to the B Director from time to time acting by majority by notice in

writing to that effect served, and withdrawn in like manner Any such notice shall be binding on all of the B Shareholders at the relevant time

#### 4 4 Appointment of Directors

4 4 1 4.4 1 1 The majority A Shareholder shall be entitled by notice in writing to the Company to appoint one person ("**the A Director**") to be Director (which may include himself) Any such notice shall also specify that the A Director is by virtue of Article 98 to be the Chairman. The majority A Shareholder may also remove and replace the Chairman in such office at any time by notice in writing to the Company

4 4 1 2 In addition to Article 4 4 1 1, one additional Director shall be appointed in the following manner The majority A Shareholder shall send a notice ("**the Nomination Notice**") to all B Shareholders to whom B Shares have been issued, notifying them that one further Director ("**the B Director**") will be appointed and inviting each of those B Shareholders to nominate in writing within 15 days of the date of the Nomination Notice one person to stand for election as the B Director The majority A Shareholder shall also be entitled to put forward the name of one person to stand for election as the B Director and that person's name shall be included in the Nomination Notice Unless Article 4 4 1 4 shall apply the Secretary shall, within 21 days of the date of the Nomination Notice, send out a further notice ("**the Election Notice**") to each of the B Shareholders (whether or not they have submitted the name of a person to stand for election) listing the names of the people whose names have been nominated for election as the B Director in accordance with this Article and setting out the Voting Procedure (as defined in Article 4 4 1 3)

4 4 1 3 Each B Shareholder shall within 15 days of the date of the Election Notice give the Secretary notice specifying the name of the person for whom he is voting as B Director Each B Shareholder shall be deemed, in respect of the person for whom he has so voted, to have cast one vote for each B Share held by him On the expiry of the 15 day period the Secretary shall tally the votes so cast within that period and the candidate with the highest number of votes so cast shall be appointed as the B Director This procedure shall be known as "**the Voting Procedure**".

4 4 1 4 If only one name is nominated for election as B Director, that person shall be deemed to have been elected as B Director, the Secretary shall give notice of this fact to all of the Shareholders and the Voting Procedure shall not take place

4 4 1 5 The B Director appointed pursuant to the provisions of this Article 4 may be removed and replaced at any time by notice in writing to the Company signed by or on behalf of the B Shareholder(s) holding the majority in nominal value of the B Shares

- 4 4 2 The A Director and B Director shall be entitled to all notices and to exercise voting rights and in all other respects be treated as the other directors
- 4 4 3 4 4 3 1 The A Director shall, at the request of holders of not less than one half in nominal value of the A Shares then in issue, be appointed to any committee of the Board
- 4 4 3 2 The B Director shall, at the request of holders of not less than one half in nominal value of the B Shares then in issue, be appointed to any committee of the Board
- 4 4 4 The A Director or B Director may by notice in writing to the Company appoint any other person (whether the A Director or B Director as appropriate, or Member or not) to act as his alternate at any meeting of the directors, to remove at any time such appointee and to appoint any other person in his place The approval of the directors shall not be required to an appointment or removal of an alternate under this Article 4 4 4 The alternate shall be entitled to sit on any committee or as the A Director or B Director of any subsidiary of the Company of which his appointer is a member when his appointer is absent Save as aforesaid, the provisions of Article 109 to 112 shall apply to any appointment hereunder
- 4 4 5 The A Director and B Director shall be entitled to report back to the A Shareholders and the B Shareholders respectively on the affairs of the Company and its subsidiaries and to disclose to the A and B Shareholders such information as he shall reasonably consider appropriate, including, for the avoidance of doubt, all papers distributed to the Board

#### 4 5 **Conversion**

- 4 5 1 On the Conversion Date each of the B Shares, C Shares and D Shares which are issued and fully paid shall convert into one New Ordinary Share at the rate of 1 New Ordinary Share for each B Share, 1 New Ordinary Share for each C Share, and 1 New Ordinary Share for each D Share provided that if the Conversion Event is a Sale, the D Shares shall so convert on the date following the Conversion Date
- 4 5 2 Forthwith upon receipt of a notice from the Company requiring them so to do, the B, C and D Shareholders shall deliver to the Company at the Office the share certificates in respect of the Shares of which they were, prior to Conversion, the holders (or an indemnity in respect thereof in a form reasonably satisfactory to the Company), and the Company shall, on receipt of such certificates (or such indemnity), deliver to the B, C and D Shareholders the new certificates to which they are entitled, in respect of the New Ordinary Shares arising from Conversion
- 4 5 3 The New Ordinary Shares shall constitute one class of shares and shall rank pari passu in all respects and, for the avoidance of doubt, shall not be subject to the rights and restrictions contained in Article 4 The New Ordinary Shares shall, subject to Articles 47 and 48, be freely transferable and Articles 58 to 64 shall accordingly not apply after Conversion

## VOTING

- 5 Subject to Article 87 2 on a show of hands every A Shareholder, every B Shareholder, every C Shareholder and every D Shareholder who (being an individual) is present or (being corporation) is present by a duly authorised representative not being himself a Member entitled to vote, shall have one vote and on a poll every A Shareholder, every B Shareholder, every C Shareholder and every D Shareholder shall have one vote for every A Share, B Share, C Share or D Share of which he is the holder
- 6 Subject to any special rights conferred on the holders of any Shares or class of Shares, any Share may be issued with or have attached thereto such rights or restrictions as the Company may by ordinary resolution determine or, if there has not been any such resolution or so far as the same shall not make specific provision, as the Board may determine Subject to the Act any Shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed
- 7 Subject to the Act and these Articles, and only with the consent of the Board, the Company may purchase Shares
- 8 Subject to the provisions of the Act and of every other statute for the time being in force concerning companies and affecting the Company and to the provisions of these Articles and any direction to the contrary that may be given by ordinary resolution of the Company, all the unissued Shares (including any redeemable Shares) of the Company (whether forming part of the existing or any increased capital) shall be at the disposal of the directors, who may offer, allot, issue, grant options or rights over or otherwise dispose of them to such persons, at such times and for such consideration and upon such times and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the directors may determine, but so that no Shares shall be issued at a discount
- 9 For the purposes of Section 80 of the Act, the directors are authorised generally and unconditionally to allot without the authority of the Company in general meeting up to a maximum of such amount of relevant securities as are authorised but unissued at the date of the adoption of these Articles In this Article, references to the allotment of relevant securities shall be construed in accordance with Section 80 of the Act
- 10 Subject to the Act the pre-emption provisions of section 89(1) and section 90(1) -(6) of the Act shall, save as otherwise resolved by special resolution of the Company, apply to any allotment of the Company's equity securities provided that the period specified in section 90(6) of the Act shall be 30 days and provided further that the holders of relevant shares and relevant employee shares (within the meaning of section 89(1) of the Act) ("**Equity Shareholders**") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("**Excess Shares**") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares in accordance with the indications they have given provided that if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as is

practicable in the proportion that the number of Shares which they were entitled to accept when originally offered bears to the total number of Shares which all Equity Shareholders who have indicated that they would accept Excess Shares were entitled to accept when originally offered

### **ALTERATION OF CAPITAL**

- 11 Subject to Article 4 3 1 the Company may from time to time by ordinary resolution:
- 11 1 increase its capital by such sum, to be divided into Shares of such amounts, as the resolution prescribes and subject to the Act may by such resolution direct that the new Shares or any of them will first be offered to all the holders for the time being of Shares of any class or classes in proportion to the number of such Shares held by them respectively or may make any other provisions as to issue of the new Shares,
- 11 2 consolidate all or any of its capital into Shares of larger amounts than its existing Shares,
- 11 3 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 capital by the amount of the Shares so cancelled, and
- 11 4 subdivide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the Shares resulting from such subdivision, one or more of such Shares may have any such rights (deferred or otherwise) or be subject to any such restrictions which are different to the rights or restrictions attaching to the other such Shares
- 12 The Board may settle as it considers expedient any difficulty which may arise in relation to any consolidation or division under Article 11 2 or Article 11 4 and in particular may issue fractional certificates or arrange for the sale of the Shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fraction(s), (but shall not be required to distribute to any Member a sum of less than £5 in respect thereof and may retain such amounts for its own account) and for this purpose the Board may authorise some person to transfer the Shares representing fractions to the purchaser Such purchaser will not be bound to see to the application of the purchase money nor will his title to the Shares be affected by any irregularity or invalidity in the proceedings relating to the sale
- 13 The Company may from time to time by special resolution, subject to any confirmation or consent required by law and subject to Article 4 3 1, reduce its authorised and issued share capital or any capital redemption reserve or any share premium account in any manner

### **MODIFICATION OF RIGHTS**

- 14 Subject to the Act and Article 4 3 1 all or any of the special rights for the time being attaching to any class of Shares may from time to time (whether by these Articles or otherwise and whether or not the Company is being wound up) be altered or

abrogated with the consent in writing of the holders of not less than three quarters 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 such Shares

- 15 To any separate general meeting of the holders of any class of Shares, all the provisions of these Articles as to general meetings of the Company shall, *mutatis mutandis*, apply, but so that
- 15.1 the necessary quorum shall be any person or persons holding or representing by proxy not less than one-third in nominal amount of the issued Shares of the class,
- 15.2 every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him,
- 15.3 any holder of Shares of the class present in person or by proxy may demand a poll, and
- 15.4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of Shares held by him) shall be a quorum and for the purpose of this Article one holder present in person or by proxy may constitute a meeting
- 16 The special rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Shares, be deemed to be altered by the creation or issue of further Shares ranking *pari passu* therewith

#### **COMMISSION AND INTERESTS IN SHARES**

- 17 The Company may in connection with the allotment or issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Act Subject to the Act, the 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
- 18 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 registered holder
19. The Company shall duly comply with any provisions of the Act as to the minimum subscription on which the Company may proceed to an allotment of its Shares
- 20 Subject to the Act and these Articles, the Board may at any time after the allotment of Shares but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a Share a right to effect such renunciation upon and subject to such terms and conditions as the Board sees fit to impose

#### **DIVIDENDS**

- 21 Notwithstanding any other provision of these Articles no dividend, charge or fee (where such charge or fee is payable to members and falls to be treated as a

distribution in accordance with the Act) or other distribution (whether in respect of the A Shares or the B Shares, or any other share capital of the Company) shall be declared or paid or resolved to be so declared or paid except

- 21 1 out of the profits of the Company available for distribution in accordance with the provisions of the Act
- 21 2 where Consent to the declaration and payment of such dividend has been obtained,
- 22 Subject to the provisions of the Act (and without limiting the powers conferred by or pursuant to Section 130 to 133 of the Act), if any interest in the share capital of a company or any business or other property or asset is acquired by the Company as from a past date or with the benefit of any dividends paid or to be paid in respect of a past period (whether such date is before or after the incorporation of the Company) the profits or losses in respect of the shares, business, property or assets so acquired as from such date or during such period may at the discretion of the Board be treated in whole or in part for all purposes as profits or losses of the Company
- 23 Subject to Article 4 1 no larger dividend in respect of the Shares shall be declared than is recommended by the Board but the Company may by ordinary resolution declare a smaller dividend
- 24 All unclaimed dividends may be invested or otherwise made use of by the Board as they shall think fit, until the same be claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof and any dividend unclaimed after a period of 12 years from the date of payment of such dividend shall be forfeited and shall revert to the Company
- 25 No dividend or other moneys payable on or in respect of any Share in the capital of the Company shall bear interest against the Company

#### **POWER TO SATISFY DIVIDEND IN SPECIE, FRACTIONAL CERTIFICATES AND CASH ADJUSTMENTS**

- 26 With the sanction of a special resolution of the Company passed with the consent of the holders of not less than half in nominal value of each of the A Shares and the B Shares, and upon the recommendation of the Board, any dividend on the Shares may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, or partly in one way and partly in another or others, and where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks expedient, and in particular it may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board

#### **SHARE CERTIFICATES**

- 27 Every person whose name is entered as a holder of any Shares in the Register is entitled, without payment, to receive one certificate for all such Shares of any one

class or several certificates each for one or more of such Shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines. In the case of a Share held jointly by several persons, delivery of a certificate to one of several joint holders shall for all purposes be sufficient delivery to all such joint holders. A Member who has transferred part of the Shares comprised in one certificate is entitled to a certificate for the balance without charge.

28. Every certificate will
- 28 1 be issued (in the case of an issue of Shares) within two months (or within such period as the terms of the issue provide) after allotment or On the case of a transfer of fully paid Shares) within twenty eight days after lodgement of a transfer with the Company, not being a transfer which the Company is for the time being entitled to refuse to register and does not register, and
- 28 2 specify the number and class and distinguishing numbers (if any) of the Shares to which it relates, and the amount paid up thereon (excluding any premium). The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificate by some mechanical means or may be printed thereon or that such certificates need not be signed by any person. All certificates for A Shares, B Shares, C Shares and D Shares shall bear distinguishing numbers.
- 29 If a Share certificate is defaced, lost or destroyed it may be replaced without charge but on such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in such case of defacement, on delivery of the old certificate to the Company.

#### **LIEN**

- 30 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all amounts payable in respect of such Share. The Company's lien on a Share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case waive any lien that has arisen or declare any Share exempt in whole or in part from the provisions of this Article.
- 31 Subject to these Articles the Company may sell, in such manner as the Board determines, any Share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable or until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of the intention to sell in default, has been served on the holder for the time being of the Share or the person entitled thereto by reason of his death or bankruptcy or liquidation (being a body corporate).
- 32 The net proceeds of the sale shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not

presently payable as existed upon the Share prior to the sale) be paid to the person entitled to the Share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.

### **CALLS ON SHARES**

- 33 Subject to these Articles and to the terms of allotment the Board may make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal amount or premium), and each Member shall (subject to being given at least fourteen clear days' notice specifying when payment is to be made) pay to the Company as required by such notice the amount called on his Shares. A call may be postponed or revoked in whole or in part as the Board determines.
- 34 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 35 A person upon whom a call is made will remain liable for calls made upon him prior to the date of transfer notwithstanding the subsequent transfer of the Shares in respect of which the call was made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 36 If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom it is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of allotment of the Share or in the notice of call or, if no rate is fixed, at the appropriate rate (as defined in the Act), but the Board may waive payment of such interest wholly or in part.
- 37 Any amount payable in respect of a Share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if that amount had become due and payable by virtue of a call.
- 38 On the allotment or issue of Shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
- 39 The Board may receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the Shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Board agree.

### **FORFEITURE OF SHARES**

- 40 If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than seven clear days' notice

40 1 requiring payment of the amount unpaid together with any interest which may have accrued, and

40 2 stating that if the notice is not complied with the Shares on which the call was made will be liable to be forfeited

If the requirements of any such notice are not complied with, any Share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends declared before the forfeiture but not actually paid on the forfeited Shares

41 When any Share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the Share No forfeiture shall be invalidated by any omission or neglect to give such notice

42 The Board may accept the surrender of any Share liable to be forfeited hereunder, and in such case, references in these Articles to forfeiture will include surrender

43 Until cancelled in accordance with the requirements of the Act, a forfeited Share will be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person(s), upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines

The Board may if necessary authorise some person to transfer a forfeited Share to any such other person as aforesaid

44 A person whose Share has been forfeited shall cease to be a Member in respect of that Share but nevertheless shall remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the Share, with interest thereon from the date of forfeiture until payment at the rate fixed by the terms of allotment of the Share or in the notice of call or, if no rate is fixed, at the appropriate rate (as defined in the Act) The Board may enforce payment without allowance for the value of the forfeited Share

45 A statutory declaration by an A Director or the Secretary that a Share has been forfeited on a specified date shall save in respect of any holder of B Shares be conclusive evidence of the facts therein stated 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 transferred 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 to the proceedings in reference to the forfeiture or disposal of the Share

46 A person executing an instrument of transfer of Shares shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the Register in respect thereof

## **FORM OF TRANSFER**

- 47 47 1 Subject to the restrictions contained in these Articles, any Member may transfer all or any of his Shares but every transfer must be
- 47.1 1 in writing and in the usual common form, or in any other form which the Board may approve,
- 47.1 2 left at the Office, or at such other place as the directors may determine, for registration,
- 47 1.3 accompanied by a certificate(s) covering the Shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the Shares, and
- 47 1 4 if required pursuant to the terms of the Shareholders Agreement, accompanied by a Deed of Adherence executed by the transferee
- 47 2 The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid Share only) by the transferee The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Register in respect thereof
- 48 The Board, in its absolute discretion, and without giving any reason therefore, may refuse to register
- 48 1 a transfer of any Share which is not a fully paid Share,
- 48 2 a transfer in favour of more than four persons jointly,
- 48 3 a transfer which relates to Shares of more than one class, and
- 48 4 a transfer which is not duly stamped, lodged with the Company and accompanied by the certificate for the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,
- and in any event shall, in the case of a transfer which requires to be accompanied by a Deed of Adherence pursuant to the terms of the Shareholders Agreement, refuse to register any such transfer which is not accompanied by a Deed of Adherence executed by the transferee
- 49 Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of shares, whether or not fully paid, nor may they suspend registration thereof where such transfer
- 49 1 is to any bank or institution to which such shares have been charged by way of security or to any nominee of such a bank or institution (a "**Secured Institution**"),
- 49 2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares, or
- 49 3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security

---

Furthermore, notwithstanding anything to the contrary contained in these Articles

- 49 4 no transferor or proposed transferor of any shares in the Company to a Secured Institution and no Secured Institution shall as transferor or proposed transferor be required to offer to the shareholders for the time being of the Company or any of them the shares which are or are to be transferred,
- 49 5 no shareholder for the time being of the Company shall have any right under the Articles or otherwise howsoever to require shares which are the subject of a transfer or proposed transfer referred to in (a) above to be transferred to them whether for consideration or not
- 50 If the Board refuses to register a transfer of a Share, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal
- 51 The registration of transfers of Shares or of any class of Shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may determine
- 52 No fee shall be charged for the registration of any transfer or other document relating to or affecting the title to any Share, or for otherwise making any entry in the Register relating to any Share
- 53 All registered transfers will be retained by the Company for the period of six years referred to in Article 163, but all others shall (except in any case of fraud) be returned to the person depositing them

#### **TRANSMISSION OF SHARES**

- 54 Subject to Article 63 if a Member dies the survivor, or survivors where the deceased was a joint holder, or his personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the deceased Member's Shares, but nothing in this Article will release the estate of a deceased Member from any liability in respect of any Share which had been jointly held by him
- 55 A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member being an individual or in consequence of the liquidation of a Member (being a body corporate) shall be entitled to receive and may give a receipt or discharge for all benefits arising or accruing on or in respect of the Share, but he shall not be entitled in respect of that Share to attend or vote at meetings of the Company, or, save as aforesaid, to exercise in respect of any Share any of the rights or privileges of a Member, unless and until he shall (in accordance with these Articles) have become a Member in respect of the Share, and the provisions of Articles 58 to 64 and 87 2 shall apply as appropriate to any transfer or proposed transfer by such person of any Shares or interest in Shares

#### **UNTRACED MEMBERS**

- 56 The Company may sell the Shares of a Member or the Shares to which a person is entitled by means of transmission if and provided that
- 56 1 during a period of twelve years all warrants and cheques sent by the Company through the post in a prepaid letter addressed to the Member at his registered address of to the person so entitled at the address (if any) shown in the Register as his address have remained uncashed,
- 56 2 the Company shall advertise both in a leading daily newspaper published in England and Wales and in a newspaper circulating in the area of the said address giving notice of its intention to sell the said Shares, and
- 56 3 during such period of twelve years and the period of three months following such advertisements the Company has had no indication that such Member or person can be traced
- 57 To give effect to any such sale as is referred to in Article 56, the Company may appoint any person to execute as transferor an instrument of transfer of such Shares or any of them and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such Shares A statutory declaration in writing that the declarant is an A Director or Secretary of the Company and that a Share has been duly sold by the Company in accordance with its powers under Article 56 on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share The Company shall account to the Member or other person entitled to such Shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same Any moneys not accounted for to the Member or other person entitled to such Shares shall be carried to a separate account and shall be a permanent debt of the Company Moneys earned to such separate account may either be employed in the business of the Company or invested in such investments (other than Shares of the Company or its holding company, if any) as the Board may from time to time determine

## **TRANSFERS OF SHARES**

- 58 The Board shall refuse to register a transfer not made pursuant to or permitted by these Articles but shall not be entitled to refuse to register any transfer made pursuant to or permitted by Articles 58 to 64 unless the relevant transfer shall fail to comply with the provision of Article 47 or the board is entitled to do so under Article 48
- 59 59 1 A Shares and B Shares may be transferred without restriction by a Member to a person to hold such Shares as his nominee but any transfers by such nominee shall be subject to the same restrictions as though they were transfers by the Member himself (as if such Member had not ceased to be the holder of such A Shares and B Shares as the case may be)
- 59 2 59.2 1 A Shares or B Shares may be transferred without restriction by a nominee to the beneficial owner thereof or to another nominee of the same beneficial owner,

- 59 2 2 Subject to Article 61, C Shares may only be transferred to another holder of C Shares, or as the Company may otherwise direct,
- 59 2 3 Subject to Article 61, D Shares may only be transferred to another holder of D Shares, or as the Company may otherwise direct
- 59 3 59 3 1 Any Member being an individual may transfer any or all of his Shares to his spouse, child, or to trustees to be held upon Family Trusts provided that before the transferee ceases to be the spouse, child or Family Trust of the original Member he shall transfer those Shares to the original Member
- 59 3 2 Any Member being a body corporate may transfer any or all of its Shares to any of its Associates provided that before the transferee ceases to be the Associate of the original Member it shall transfer those Shares to the original Member
- 59 4 Subject only to the provisions of Articles 59 1, 59 2 and 59 3 of this Article and Article 64 no Share or any interest therein may be sold, transferred, charged, made subject to any option, lien (other than in favour of the Company) or encumbrance or otherwise disposed of by any Member or other person entitled thereto unless and until the rights of pre-emption hereinafter conferred shall have been exhausted
- 60 60 1 If any Member or other person (the "**Vendor**") desires to transfer or dispose of any of his Shares or any interest therein he shall give written notice to the Chairman (a "**Transfer Notice**") of such desire stating the number of Shares he wishes to transfer or in which he wishes to transfer an interest and the price at which he wishes so to transfer those Shares ("**the prescribed price**"). The Directors shall (subject to Article 60 4 below) offer such Shares at such prescribed price to the other Members and invite each of them to notify the Company in writing within a period of 14 days from the date of the offer whether he is willing to purchase any and if so what maximum number of the Shares on offer
- 60 2 At the end of such period the Directors shall allocate the Shares on offer amongst the Members who shall have notified their willingness to purchase any Shares and (if more than one) so far as may be pro rata to the number of Shares held by them respectively but so that no Member shall be obliged to take more than the maximum number of Shares notified by him as aforesaid If any Shares remain unallocated the Directors shall make a further offer to the Members who have notified their willingness to purchase and invite each of them to notify the Company in writing within a period of 14 days from the date of the offer whether he is willing to purchase any and if so what maximum number of the Shares on offer The Directors shall allocate the relevant Shares to the Members who shall have notified their willingness to purchase the Shares in the further offer and (if more than one) so far as may be pro rata to the number of Shares held by them respectively, ignoring Shares already allocated pursuant to the same Transfer Notice, but so that no Member shall be obliged to take more than the maximum number of Shares notified by him as aforesaid
- 60 3 Upon any such allocation as aforesaid being made and subject to Articles 60.4 and 60 5 below the Vendor shall be bound, on payment of the purchase price within one

month from the date of such allocation, to transfer the Shares or the relevant interest therein to the purchaser(s) and, if he makes default in so doing, the Directors may receive and give a good discharge for the purchase money on behalf of the Vendor and may authorise some person to execute a transfer of such Shares in favour of the purchaser(s), and may enter the name(s) of the purchaser(s) in the Register of Members as the holder(s) by transfer of the Shares so purchased by him or them

- 60 4 If all of the Shares comprised in the Transfer Notice are not agreed to be transferred pursuant to the foregoing provisions of this Article, the Vendor may
- (a) withdraw the Transfer Notice (without liability on his part to any purchasing Member) and either sell all or any of the Shares comprised therein within two months of such withdrawal to third parties at a price no lower than the prescribed price (or at a lower price if the Shares have first been offered to all remaining Members on those terms and in accordance with the procedure set Out in the foregoing provisions of this Article),
  - (b) retain his Shares, or
  - (c) sell to those Members remaining willing to purchase those Shares in respect of which they have indicated their willingness to purchase and sell the balance to any third parties in accordance with Article 60 4 (a) above and any such sales to such Members shall be upon the terms of Article 60 3 (mutatis mutandis)
- 60 5 If a Member who has been allocated Shares pursuant to Article 60 2 fails to pay the purchase price within one month from the date of allocation (a "**Default**"), the terms of Article 60 3 1 shall apply mutatis mutandis in respect of the Shares allocated to that Member and that Member shall thereafter cease to be entitled to the benefit of the pre-emption rights conferred by this Article Accordingly, in the event of any Transfer Notice being given following any such Default by any Member, the Directors shall not offer to that Member any of the Shares which are the subject of that Transfer Notice
- 60 6 Except as stated in Article 60 4 a Transfer Notice shall be irrevocable
- 61 Save as provided by Article 59 no Member or person entitled by transmission shall be entitled to transfer or dispose of any interest or right in any C Share or D Share or any interest therein (other than a Leaver or a person entitled by transmission as a result of a Member becoming a Leaver by reason of his dying) for a period of four years following the date of allotment of the relevant C Shares or D Shares (as the case may be) without the prior consent in writing of a majority by nominal value of the A Shareholders
- 62 If a Member who is an employee of the Company or any subsidiary has charged, mortgaged or in any way encumbered any of his Shares (with such consent as may be required from time to time under the Shareholders Agreement) then if under any circumstances any third party enforces any rights in respect of such Shares as a result of such charge, mortgage or encumbrance, then such Member shall be deemed to have given a Transfer Notice and the Specified Price shall be the Fair Price in respect of that number of each class of Shares held by such Member in respect of which the enforcement is effected

## LEAVERS

63 63 1 Any Bad Leaver shall (if he has not already done so) be deemed on the date of cessation of employment to have served a separate Transfer Notice in respect of all of the Shares then held by him

63 2 Any Good Leaver shall (if he has not already done so) be deemed on the date of cessation of employment to have served a separate Transfer Notice in respect of the under noted percentage of his holding of C Shares and D Shares at that time

<b>Date of becoming a Leaver</b>	<b>Percentage of C Shares and D Shares (if any) to be offered for sale at Fair Price</b>
Prior to the 5th Investment Anniversary	100%
On or after the 5th Investment Anniversary but prior to the 6th Investment Anniversary	80%
On or after the 6th Investment Anniversary but prior to the 7th Investment Anniversary	60%
On or after the 7th Investment Anniversary but prior to the 8th Anniversary	40%
On or after the 8th Investment Anniversary but prior to the 9th investment Anniversary	20%
On or after the 9th Investment Anniversary	0%

References in this Article 63 2 to "**Investment Anniversary**" shall mean a reference to the relevant anniversary of the original date upon which the relevant Leaver was allotted or took, title to the relevant C Shares the subject of the deemed Transfer Notice

63 3 Any Good Leaver shall be entitled, but, for the avoidance of doubt, not obliged, to offer any C Shares or D Shares which he holds and which are not the subject of a deemed Transfer Notice for sale together with such C Shares and/or D Shares as are the subject of the deemed Transfer Notice

63 4 On the deemed service of a Transfer Notice pursuant to Article 63 1 or 63 2 the provisions of Article 60 and/or Article 61 (as appropriate) shall apply save that

63 4 1 the Purchaser may first be any person or persons (other than the Company) identified within 6 months of the Leaver ceasing to be an employee of the Company by the Board each such person being an employee or proposed employee of the Company or an employee trust and, if such a person or persons are identified, the Sale Shares shall be offered and allocated to such person or persons prior to being offered or allocated to existing Members in accordance with Article 60

63 4 2 The Specified Price in respect of any Shares the subject of a Transfer Notice deemed to be given pursuant to Article 63 shall be

63 4 2.1 in respect of a Bad Leaver the lower of

(a) the subscription price paid therefor (including any premium paid thereupon), and

(b) the Fair Price,

63 4 2 2 in respect of a Good Leaver the Fair Price

63 5 Notwithstanding the provisions of Article 63 4 2 in the event that a Leaver is deemed to be a Bad Leaver, the Board may elect to treat such a Bad Leaver as a Good Leaver, for the purposes of determining the Specified Price payable in respect of any Shares held by the Bad Leaver the subject of a Transfer Notice

63 6 Notwithstanding any other provision herein contained if a Leaver retains C Shares and/or D Shares he shall have all the rights of and shall rank *pari passu* with the other holders of the C Shares or D Shares (as the case may be) save that he shall be deemed on a poll to vote at any class C or class D meeting of the Company in the same manner as the majority of the votes cast at that meeting by holders of C Shares or D Shares (as the case may be) and shall be deemed to grant any consent in respect of any matters to be consented to in respect of any such meetings where a majority of the other shareholders of C Shares or D Shares (as the case may be) have so consented and shall not otherwise be entitled to vote at any such meeting

#### **DRAG ALONG & TAG ALONG**

64 64 1 The holders of at least 60% in nominal value of the A Shares (being together herein referred to as the "**A Vendors**") shall together have the right (the "**Drag Along Right**") to require all of the other holders of Shares (the "**Called Shareholders**") to transfer all of the Shares held by the Called Shareholders to any person (the "**Third Party**") to whom the A Vendors have agreed to transfer pursuant to a bona fide transaction, all their Shares (the "**Transfer Shares**")

64 1 1 The Drag Along Right may be exercised by the A Vendors serving notice to that effect (the "**Drag Along Notice**") on the Called Shareholders specifying that each Called Shareholder is required to transfer his Shares (the "**Called Shares**") pursuant to this Article 64 1

64 1 2 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the A Vendors do not transfer the Transfer Shares to the Third Party within 45 days from the date of the Drag Along Notice

64 1 3 The Called Shareholders shall only be obliged to sell the Called Shares for the same consideration (calculated *pro rata*) and otherwise on terms no less onerous than those entered into by the A Vendors (the "**Drag Along Price**")

- (i) The Drag Along Price shall include any consideration (in cash or otherwise) paid or payable for the Transfer Shares to any A Vendor by the Third Party or any Connected Person thereof which, having regard to the substance of the transaction as a whole, would be reasonably regarded as an addition to the price so paid or payable (and for this purpose due account shall be taken of any contemporaneous and directly connected transaction pursuant to which any A Vendor is to derive any benefit)
  - (ii) The value of any non-cash consideration, or cash consideration payable on deferred terms paid or payable for the Transfer Shares to any A Vendor by the Third Party or any Connected Person thereof shall be determined by the Auditors who shall, if so requested by the Board, certify that value as at the date of Completion of the sale of the Called Shares
  - (iii) Such determination by the Auditors shall, in the absence of manifest error, be conclusive and binding. The costs of the Auditors shall be borne by all Shareholders
- 64 1 4 Upon the exercise of the Drag Along Right in accordance with this Article 64 1 each of the Called Shareholders shall, conditional upon the completion of the transfer of the Transfer Shares be bound to sell his Called Shares for the Drag Along Price and otherwise in accordance with this Article 64 1
- 64 1 5 The date for completion of the sale of the Called Shares shall be specified by the A Vendor in the Drag Along Notice and shall be the same date as the date proposed for completion of the sale of the Transfer Shares unless, in the case of the sale by any particular Called Shareholder, that Called Shareholder and the A Vendor otherwise agree
- 64 1 6 The Called Shareholders shall not be obliged to carry out the sale of the Called Shares unless the A Vendors completes the sale of their Transfer Shares at the same time and to the same Third Party for the same consideration (calculated pro rata) and otherwise on terms no less onerous than those entered into by the Called Shareholders
- 64 1 7 Save as provided, in the event that any Called Shareholder fails to carry out the sale of any of the Called Shares in accordance with this Article 64.1 the Board (or any single A Director) may (but subject always to the provisions of Article 64 1.3) authorise some person to execute a transfer of the Called Shares to the Third Party (or as it may direct) and the Company may give a good receipt for the purchase price of such Called Shares and may register the Third Party (or as it may direct) as holder thereof and issue to it (or as it may direct) certificates for the same whereupon the Third Party (or the person directed by the Third Party) shall be indefeasibly entitled thereto. The Called Shareholder shall in such case be bound to deliver up its certificate for the Called Shares to the Company whereupon the Called Shareholder shall be entitled to receive the Drag Along Price which shall in the meantime be held by the Company on trust for the Called Shareholder but without interest. If such certificate shall compromise any Shares which the Called Shareholder

has not become bound to transfer as aforesaid the Company shall issue to the Called Shareholder a balance certificate for such shares

64 1 8 Any rights of pre-emption set out in these Articles shall not arise on any transfer of shares pursuant to a sale in respect of which a Drag Along Notice has been duly served

64 2 If the effect of any transfer of Shares (other than to an Exempt Transferee) by any Member (a "**Tag Vendor**") would, if completed, be to enable any person (not being or becoming a member on the date of adoption of these Articles) or persons connected with each other or persons acting in concert with each other (each a "**Transferee**") to obtain such number of Shares which in aggregate confer 24 per cent or more of the voting rights exercisable at general meetings of the Company by the holders of Shares by virtue of their holding(s) of such Shares ("**the Appropriate Percentage**"), the Tag Vendor shall procure the making by the proposed transferee of the Tag Vendor's Shares of an offer ("**the Offer**") to all of the other holders of Shares (other than any person or persons connected with each other or acting in concert with each other who shall as a consequence of the proposed transfer obtain the Appropriate Percentage).

64 2 1 The Offer shall be for the same consideration (calculated pro rata) and otherwise on terms no less onerous than those entered into by the Tag Vendor (the "**Tag Along Price**").

64 2 2 The Tag Along Price shall include any consideration (in cash or otherwise) paid or payable by the Transferee to a Tag Vendor or any Connected Person thereof which, having regard to the substance of the transaction as a whole, would be reasonably regarded as an addition to the price so paid or payable (and for this purpose due account shall be taken of any contemporaneous and directly connected transaction pursuant to which any Tag Vendor or Connected Person thereof is to derive any benefit)

64 2 3 The value of any non-cash consideration, or cash consideration payable on deferred terms, for any such other Shares, shall be determined by the Auditors who shall, if so requested by the Board, certify that value as at the date of Completion of the sale of such other Shares

64 2 4 Such determination by the Auditors shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of such other Shares

64 2 5 The costs of the Auditors shall be borne by all such other Shareholders

64 2 6 Every member on receipt of an Offer shall be bound within 21 days of the date of such Offer (which date shall be specified therein) either to accept or reject such Offer in writing (and in default of so doing shall be deemed to have rejected the offer) The date for completion of the sale by the Tag Vendor of his Shares shall be the same date as the final date proposed for acceptance of the Offer unless otherwise agreed

64 2 7 Until such Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer by the Tag Vendor

64 2 8 Any rights of pre-emption set out in these Articles shall not arise on any transfer of shares pursuant to a sale in respect of which an Offer has been duly served

### **GENERAL MEETINGS**

- 65 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint. Each general meeting, other than an annual general meeting, will be called an extraordinary general meeting.
- 66 The Board may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than forty-two days after receipt of the requisition.

### **NOTICE OF GENERAL MEETINGS**

- 67 An annual general meeting or an extraordinary general meeting called in either case for the passing of a special resolution shall be called by not less than twenty one clear days' notice in writing. All other extraordinary general meetings may be called by not less than fourteen clear days' notice in writing but a general meeting may be called by shorter notice if it is so agreed.
- 67 1 in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat, and
- 67 2 in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than such as, under the provisions of these Articles or the terms of issue of the Shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a Share in consequence of the death or bankruptcy of a Member or liquidation if the Member is a body corporate (provided the address of any such person has been given to the Company) and to the directors and the Auditors.

- 68 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) to send such instrument of proxy to, or the non-receipt of such notice or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 69 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring dividends, the reading, consideration and adoption of the accounts and balance sheet and the ordinary reports of the directors and Auditors and other documents required to be annexed to the balance sheet, the election of directors and appointment of the Auditors and other officers in the place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors and the voting of remuneration or extra remuneration to the directors
- 70 No business shall be transacted at any general meeting unless a quorum is present throughout the meeting but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not for this purpose be treated as part of the business of the meeting Save as provided in relation to an adjourned meeting, until Conversion any two Members entitled to attend and vote at the meeting shall be a quorum provided that one is an A Shareholder and the other is a B Shareholder.
- 71 Notwithstanding any other provision of these articles, if and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative of that corporation, shall be a quorum
- 72 If within thirty minutes (or such longer time not exceeding one hour as the Chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved In any other case it 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 Chairman may determine If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, two persons neither of which are required to be B Shareholders entitled to be counted in a quorum present at the meeting in person or by proxy shall be a quorum.
- 73 Notwithstanding that he is not a Member each director may attend and speak at any general meeting and any separate meeting of the holders of any class of shares in the Company.
- 74 The Chairman, if any, of the Board or, in his absence, a deputy chairman, if any, shall preside as chairman at every general meeting If there is no such Chairman or deputy chairman, or if at any meeting neither the Chairman nor a deputy chairman is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman of the meeting, the A Director, or if the A Director is not present the directors present, shall choose one of their number to act, or if one director only is present he shall preside as chairman or if no willing director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to chairman
- 75 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the meeting had the adjournment not taken place When a meeting is adjourned for fourteen days or more,

at least seven clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall be unnecessary to give notice of an adjournment.

- 76 If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. 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 not involving any departure from the substance of the resolution) may in any event be considered or voted upon.

## VOTING

77. 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 demanded

77 1 by the chairman,

77 2 by at least two Members entitled to vote at the meeting,

77 3 by a Member or Members representing not less than one-tenth of Voting Rights at the meeting, or

77 4 by a Member or Members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right,

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

- 78 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority shall be binding, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

- 79 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 (being not later than 30 days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

- 80 If a poll is duly demanded, it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers or tickets), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may in the event of a poll, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

- 81 The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been

demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier

- 82 On a poll votes may be given either personally or by proxy. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way
- 83 The chairman of the meeting shall not be entitled to a casting vote in addition to any other vote he may have
- 84 In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding
- 85 A Member who is a patient for any purposes of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll and by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office not less than three days before the time for holding the meeting
- 86 No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares have been paid
- 87 87 1 The Company may by notice in writing require any person whom the Company knows or has reasonable cause to believe to be or, at any time during the 3 years immediately preceding the date on which the notice is issued, to have been interested in Shares
- 87 1 1 to confirm that fact or (as the case may be) to indicate whether or not it is the case, and
- 87 1 2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in accordance with this Article
- The provisions of sub-sections 212(2)-(6) inclusive of the Act shall apply mutatis mutandis to any notice served under this Article as if it were a notice served in accordance with sub-section 212(1) of the Act
- 87 2 Where any registered holder of any Shares or any named person in respect of any Shares fails to comply within twenty one days with any notice (in this Article called a "**preliminary notice**") given by the Company under provisions of Article 87 1 requiring him to give particulars of any interest in any such Shares, the Company may

give the registered holder of such Shares a notice (in this Article called a **"disenfranchisement notice"**) stating or to the effect that such Shares shall from the service of such disenfranchisement notice confer on such registered holder no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the preliminary notice has been complied with and such shares shall confer no right to attend or vote accordingly nor will such registered holder be entitled to transfer all or any of his Shares, whether within the terms of Articles 58 to 64 or not, or to receive any dividend, including any dividend which became payable, but was not paid, before the service of the disenfranchisement notice, until the preliminary notice has been complied with

88 For the purposes of Article 87 a **"named person"** means a person named as having an interest in the Shares concerned in any response to any notice served on the registered holder or on a person previously so named under Article 87 or any person who the Company has reason to believe may have had an interest in Shares within the previous three years. A disenfranchisement notice may be cancelled by the Board at any time and shall automatically cease to have effect in respect of any share transferred upon registration of the relevant transfer

89 If

89 1 any objection shall be raised to the qualification of any voter,

89 2 any votes have been counted which ought not have been counted or which might have been rejected, or

89 3 any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the 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 vitiate 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

90 Any corporation holding Shares conferring the right to vote may by resolution of its directors or other governing body authorise any of its officials or any other person to act as its representative at any meeting of the Company, or at any meeting of holders of any class of Shares of the Company, and the person so authorised shall after providing evidence satisfactory to the chairman of the meeting be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company. References in these Articles to a Member present in person shall in the case of a corporation include that Member present by its representative authorised aforesaid

## **PROXIES**

91 The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its

seal or under the hand of an officer, attorney or other person authorised to sign the same

- 92 A proxy need not be a Member
- 93 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of adjournment or, in either case, in any document sent therewith) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than forty eight hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution
- 94 Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit The instrument of 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 related
- 95 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used
- 96 A resolution in writing signed by all the Members entitled, to notice of and entitled to vote at a meeting of the Members (or class of Members, as the case may be) shall be as valid and effectual as if it had been passed at a meeting of the Members (or class of Members as the case may be) concerned, duly called and constituted Such resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the Members concerned.
- 97 At the same time as a resolution is circulated to the Members (or class of Members, as the case may be) for signature or approval as contemplated by Article 96, a copy of the resolution shall be circulated in the same manner to the directors and to the other Members (whether or not they are concerned with the resolution)

## **NUMBER OF DIRECTORS**

- 98 The number of directors (other than alternate directors) shall not be less than the 2 appointed pursuant to Article 4 4 but shall otherwise be not more than 10 A holder for the time being of a majority of the A Shares shall have the right to nominate a person to be appointed as Chairman of the Board and shall have the exclusive right to remove or replace him from or in such office

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 99 A director is not required to hold any Shares prior to or as a condition of taking the office of director
- 100 Save for Directors appointed pursuant to Article 4 4 the Company may by ordinary resolution of which special notice has been given in accordance with the Act, remove any director before the expiration of his period of office but may not appoint another person in his place
- 101 If there is no director holding the office of Chairman or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for a meeting of the directors or if a deputy chairman appointed in accordance with Article 138 has not been elected, the A Director present may appoint one of those directors present to be chairman of the meeting If no A Director is present such appointment may be made by the directors present
- 102 The chairman of any meeting of the Board (or any committee thereof) shall have a second or casting vote

## **DISQUALIFICATION OF DIRECTORS**

- 103 The office of a director shall be vacated if
- 103 1 he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board,
- 103 2 he is, or may be, suffering from mental disorder and either,
- 103 2 1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
- 103 2 2 an order is made by a court having jurisdiction (in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,
- 103 3 without leave, he is absent from meetings of the Board (although not where an alternate director appointed by him attends) for six consecutive months, and the Board resolves that his office be vacated,

- 103 4 he becomes bankrupt or a receiving order is made against him or he makes any arrangement or compromise with his creditors generally,
- 103 5 he is prohibited by law or is disqualified under any statute from being a Director,
- 103 6 he ceases to be a director by virtue of the Act or is removed from office pursuant to these Articles,
- 103 7 an order is made by a court having jurisdiction in terms of the Company Directors Disqualification Act 1986, or
- 103 8 carries on or is interested in any business which competes with or could compete with the Company

#### **ROTATION AND RE-ELECTION OF DIRECTORS**

104. 104 1 At the third annual general meeting of the Company following the date of adoption of these Articles all of the Directors with the exception of the First A Director shall retire from office and at every third subsequent annual general meeting all of the Directors with the exception of the First A Director who are subject to retirement by rotation shall retire.
- 104 2 No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless he is recommended by the directors

#### **EXECUTIVE DIRECTORS**

- 105 The Board may from time to time appoint one or more of its body to be an executive director for such period (subject to the Act) and upon such terms as the Board may determine
- 106 Any appointment as is referred to in Article 105 shall be subject to determination ipso facto if the director so appointed shall cease from any cause to be a director Subject to the terms of any contract between the director so appointed and the Company the Board may revoke or terminate any such appointment Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the Company or the Company may have against such director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination
- 107 A director holding the office of chairman or deputy chairman or any such executive director as aforesaid shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a director
- 108 The Board may entrust to and confer upon a director holding any such executive office as aforesaid any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers

#### **ALTERNATE DIRECTORS**

- 109 Any director may appoint any person approved by the Board to be his alternate director and may at his discretion remove such alternate director. Any appointment or removal of an alternate director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board. An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him), if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the director appointing him and shall be entitled to such extent to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director
- 110 Every person acting as an alternate director shall (except as regards power to appoint an alternate director and remuneration) be subject in all respects to the provisions of these Articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. All alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director
- 111 Subject to any other provisions of these Articles, every person acting as an alternate director shall have one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a director). The signature of an alternate director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
- 112 An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director

#### **DIRECTORS' FEES AND EXPENSES**

- 113 Each of the directors may be paid a fee at such rate as may from time to time be determined by the Board
- 114 Each director may be paid all travelling only insofar as such travelling expenses relate to travel within the United Kingdom, hotel and incidental expenses properly incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of holders of any class of Shares or of debentures or of loan stock of the Company or otherwise in connection with the discharge of his duties as a director. Any director who, by request of the Board, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article

#### **DIRECTORS' INTERESTS**

- 115 A director may
- 115.1 hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms as the Board may determine, and any extra remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article,
- 115.2 act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm may be remunerated for professional services as if he were not a director, and
- 115.3 be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, or in any other company as may be agreed between the Company and him and shall not be liable to account to the Company or the Members for any remunerations, profit or other benefit received by him as a director or officer of or from his interest in such other company
- 116 The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company
- 117 A director shall not vote or be counted in the quorum of any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof)
- 118 Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution shall be put in relation to each director and in such case each of the directors concerned shall be entitled to vote except in the case of an office or place of profit with any such other company as aforesaid where the other company is a company in which the director owns 5 per cent or more of the issued share capital
- 119 Subject to the Act, and save as provided in these Articles, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as the vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits arising out of any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established

- 120 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested For the purposes of this Article, a general notice to the Board by a director to the effect that
- 120.1 he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm, or
- 120 2 he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him,
- shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or an arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given
- 121 Save as otherwise provided by these Articles, a director shall not vote (but shall be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted unless his interest in respect of any such contract or arrangement is declared at the meeting at which the relevant resolution is being considered before such resolution is voted upon in which case his vote will count
- 122 For the purpose of Articles 115 to 121 inclusive
- 122 1 A company shall be deemed to be a company in which a director owns 5 per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in 5 per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company For the purpose of this Article there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, and shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any share comprised in an authorised unit trust scheme in which the director is interested only as a unit holder
- 122 2 Where a company in which a director holds 5 per cent or more is materially interested in a transaction, then that director shall also be deemed materially interested in such transaction
- 122 3 If any question shall arise at any meeting of the Board as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned as

known to such director has not been fairly disclosed to the Board if any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board

- 123 Subject to A Consent and B Consent the Company may by ordinary resolution suspend or relax, the provisions of Article 121 to any extent or ratify any transaction not duly authorised by reason of a contravention of Articles 115 to 121 inclusive.

### **GENERAL POWERS OF THE BOARD**

- 124 The business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act and of these Articles and to such regulations, being not inconsistent with such provisions as may be prescribed by the Company in general meeting provided that no such regulations shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article
- 125 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities
- 126 The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him
- 127 The Board may entrust to and confer upon any director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby
- 128 All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the

case may be, in such manner as the Board shall from time to time by resolution determine

### **ADDITIONAL DIRECTORS**

- 129 The directors may, at any time and from time to time, appoint any person to be a director, either to fill a casual vacancy or by way of additional to their number.

### **PENSIONS**

130. On behalf of the Company the Board may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any director or former director or the relations, connections or dependants of any director or former director provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a director or former director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a director or former director without the approval of an ordinary resolution of the Company A director or former director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company
- 131 The Board may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or any part of the undertaking of the Company or that subsidiary

### **BORROWING POWERS**

- 132 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party provided the Board has obtained Consent to any proposed exercise of the power granted by this Article 132
- 133 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person on trust for him, the power to make calls on the Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be

### **PROCEEDINGS OF THE BOARD**

- 134 134 1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate Questions arising at any meeting shall be determined by a majority of votes
- 134 2 A director may, and the Secretary on the requisition of a director shall, at any time summon a Board meeting provided notice of the meeting which is reasonable in the circumstances is given to all directors
- 135 Notice of a Board meeting shall be deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose A director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any director who is for the time being absent from the United Kingdom A director may waive notice of any meeting either prospectively or retrospectively
- 136 136 1 The quorum necessary for the transaction of the business of the Board shall be not less than two, of whom one must be an A Director Any director who ceases to be a director at a Board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the Board meeting if no other director objects and if otherwise a quorum of directors would not be present
- 136 2 If a quorum is not present at the time for which the meeting was called or ceases to be present thereafter, the meeting ("**the first meeting**") shall be adjourned to the following day at the same time and place The Company shall give notice to each director who did not attend the first meeting requiring him either to attend the adjourned meeting of the directors or to state in writing his views on the matters to be discussed at that meeting If any director having received such notice fails to attend such adjourned meeting those directors who are present at such adjourned meeting shall constitute a quorum
- 137 The continuing directors or a sole continuing director may act notwithstanding any vacancy in the Board but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing directors or director, notwithstanding that the number of directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose If there be no director or directors able or willing to act, then any two Members may summon a general meeting for the purpose of appointing directors
- 138 The Board may elect one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such office
- 139 Subject as provided below, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board

- 140 Subject to these Articles, the Board may delegate any of its powers authorities and discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board and shall keep the Board fully informed in relation to the proceedings of any committee meetings and of any decision taken by any committee in the exercise of powers delegated to the committee
- 141 The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article The quorum for any committee meeting shall be two members
- 142 142 1 A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the Board (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted Such resolution may be contained in one document or in several documents in like form each signed by one or more of the directors or members of the committee concerned
- 142 2 A meeting of the Board or of a committee of the directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee notwithstanding that fewer than two directors or alternate directors are physically present at the same place Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is The word "**meeting**" in these Articles shall be construed accordingly
- 143 All acts done by the Board or by any committee or by any person acting as a director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be an A Director or member of such committee

## MINUTES

- 144 The Board shall cause minutes to be made
- 144 1 of all appointments of officers made by the Board,

144 2 of the names of the directors present at each meeting of the Board or committee of the Board, and

144 3 of all resolutions and proceedings at all meetings of the Company, of the Board and of any committee of the Board

### **SECRETARY**

145 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it determines, and any Secretary so appointed may be removed by the Board

146. A provision of the Act or these Articles requiring or authorising anything to be done by or to a director and the Secretary jointly shall not be satisfied by its being done by or to the same person acting both as a director and as, or in place of, the Secretary

### **SEAL**

147 The Board shall provide for the custody of any seal adopted by the Company as its common seal. Any such seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by one or more directors and the Secretary or by two or more directors or by some other person appointed by the Board for such purpose, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any two or more directors or by some other person appointed by the Board for such purpose, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any person

148 The Company may exercise all the powers conferred by the Act with regard to having official seals, and such powers shall be vested in the Board

### **AUTHENTICATION OF DOCUMENTS**

149 Any director or the Secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract are a true and accurate record of proceedings at a duly constituted meeting.

### **RESERVES**

- 150 Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute

### **CAPITALISATION**

- 151 The Company, upon the recommendation of the Board and subject to Articles 4 may at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid
- 152 The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under Article 153 and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportions but not exactly so, or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members

### **RECORD DATES**

- 153 Subject to Article 4 1 the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made

### **ACCOUNTING RECORDS**

- 154 The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Act

- 155 The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.
- 156 No draft of the Company's annual accounts shall be submitted to the Board for approval unless they shall have previously been discussed with and reviewed by an A Director.
- 157 A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Act.

#### **AUDIT**

- 158 Auditors shall be appointed and their duties regulated in accordance with the Act.

#### **NOTICES**

- 159 Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to joint holders.
- 160 Any Member described in the Register by an address not within Europe who shall, from time to time, give to the Company an address within Europe at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within Europe shall be entitled to receive any notice from the Company.
- 161 Any such notice or other document, if sent by post, shall be deemed to have been served or delivered forty-eight hours after it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- 162 Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the

holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share

### **DESTRUCTION OF DOCUMENTS**

- 163 The Company may destroy
- 163 1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation,
- 163 2 any dividend mandate, or any variation or cancellation thereof, or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company,
- 163 3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration, and
- 163 4 any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it
- and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company Provided always that
- 163 5 the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim,
- 163 6 nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso Article 163 5 above are not fulfilled, and
- 163 7 references in this Article to the destruction of any document include references to its disposal in any manner

### **WINDING UP**

- 164 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 Act divide amongst 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, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such 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 the liquidator, with the like sanction, thinks fit, but so that no

Member shall be compelled to accept any shares or other assets upon which there is any liability

### INDEMNITY

- 165 Save and except so far as the provisions of this Article shall be voided by any provisions of the Act the directors, their alternates, Executive Directors, auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and held harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses (including any such liability as is mentioned in the Act) which they or any of them or their or any of their executors or administrators shall or may incur or sustain by reason of any act done, concurred in, or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any money's or effects of the Company shall be lodged or deposited for safe custody, or the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except the same shall happen by or through their own wilful neglect or default respectively. The Company may purchase and maintain insurance cover as necessary for any of the officers of the Company against any such liability

### FAIR PRICE

- 166 166 1 **"Fair Price"** means the price certified in writing by the Auditors (or in the event of their being unwilling or unable so to certify or, at the written request of the Company an independent firm of Chartered Accountants nominated by the President of the Institute of Chartered Accountants of England and Wales or his equivalent from time to time as being in their opinion and for the avoidance of doubt based only upon a review of information generally available to the public and the latest management accounts of the Company the fair value of the Shares as between a willing seller and a willing buyer provided that the Auditors, or as the case may require, the independent firm of Chartered Accountants, in determining the fair value of any of such Shares shall
- 166 1 1 determine the sum which a willing purchaser would offer to a willing seller for the whole of the issued Shares of the class proposed to be transferred,
- 166 1 2 divide the resultant figure by the number of issued Shares of the class proposed to be transferred, and
- 166 1 3 make such adjustment as they consider necessary to allow for any rights attaching to the Shares of the class of Shares to be transferred which may be outstanding and in particular any rights as to voting or rights whereby any

person, firm or body corporate may call for the issue of Shares or may exercise any right of conversion,

but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of the relevant transfer, or in relation to any restrictions on the transferability of the Shares arising only out of the provisions of these Articles and provided further that the Auditors or as the case may be, the independent firm of Chartered Accountants, shall take into account in determining the fair value any bona fide offer from any third party to purchase any holdings the subject of a Transfer Notice In certifying a fair value the Auditors, or as the case may require the independent firm of Chartered Accountants, shall act as experts and not as arbitrators

- 166 2 Any costs of the auditors or the independent firm of Chartered Accountants incurred pursuant to determining the Fair Price shall be borne as the auditors or independent firm of Chartered Accountants shall direct

### **BORROWINGS**

- 167 167 1 Borrowings shall include not only monies borrowed but also the following except insofar as otherwise taken into account
- 167 1 1 the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group,
  - 167 1 2 the principal amount of any debentures (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group,
  - 167 1 3 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed monies, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporated and the repayment of which is the subject of a guarantee or indemnity by a member of the Group,
  - 167 1 4 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group,
  - 167 1 5 any premium payable on repayment of any borrowing or deemed borrowing, and
  - 167 1 6 the capitalised value of amounts outstanding in respect of finance leases of any fixed asset
- 167 2 When the aggregate amount of Borrowings required to be taken into account on any particular date is being ascertained,
- 167 2 1 any of such borrowings denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on such date in

---

London or at the rate of exchange prevailing in London six months before such date if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business), and

167.2 2 where under the terms, of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of such borrowing for the purpose of this Article, the amount of such borrowing to be taken into account for the purposes of this Article shall be such lesser amount

## **The Schedule**

### **MATTERS REFERRED TO IN ARTICLE 4.3.1**

The following matters referred to in article 4.3.1 as requiring B Consent

1. except to full time employees of the Company, and then only in respect of C Shares or D Shares, the issue or agreement to issue or grant any options or rights to subscribe for any shares in the Company,
2. the giving of any guarantee or indemnity or security in respect of the obligations of any other person, firm or company or permit any such guarantee or indemnity or security to subsist or vary any such guarantee or indemnity or security or provide any credit (other than normal trade credit on commercially reasonable terms in the ordinary course of the Company's business)
3. the creation of any mortgage, security or other encumbrance over any undertaking or assets of the Company in an amount exceeding £250,000 in aggregate in any transaction
4. the creation of any loan whose effect is to take the ratio of loans to Shareholder Funds (as defined by the last published audited report and accounts of the Company) above 1.2 (50%)
5. any acquisition of any asset, business or Company for a sum greater than 50% of Shareholders Funds
6. any disposal of any asset or section of the Company's business for a sum greater than 50% of Shareholders funds
7. the creation of any partnership or Joint venture agreement with any person other than in the ordinary course of business
8. any alteration to these Articles
9. any increase or decrease in the share capital of the Company
10. the winding up and liquidation of the Company

The provisions of this schedule shall apply mutatis mutandis to any subsidiary of the Company