

Company number 03002219

WRITTEN RESOLUTIONS

of

ORTEGA BARS LIMITED (the "Company")

A PRIVATE COMPANY LIMITED BY SHARES

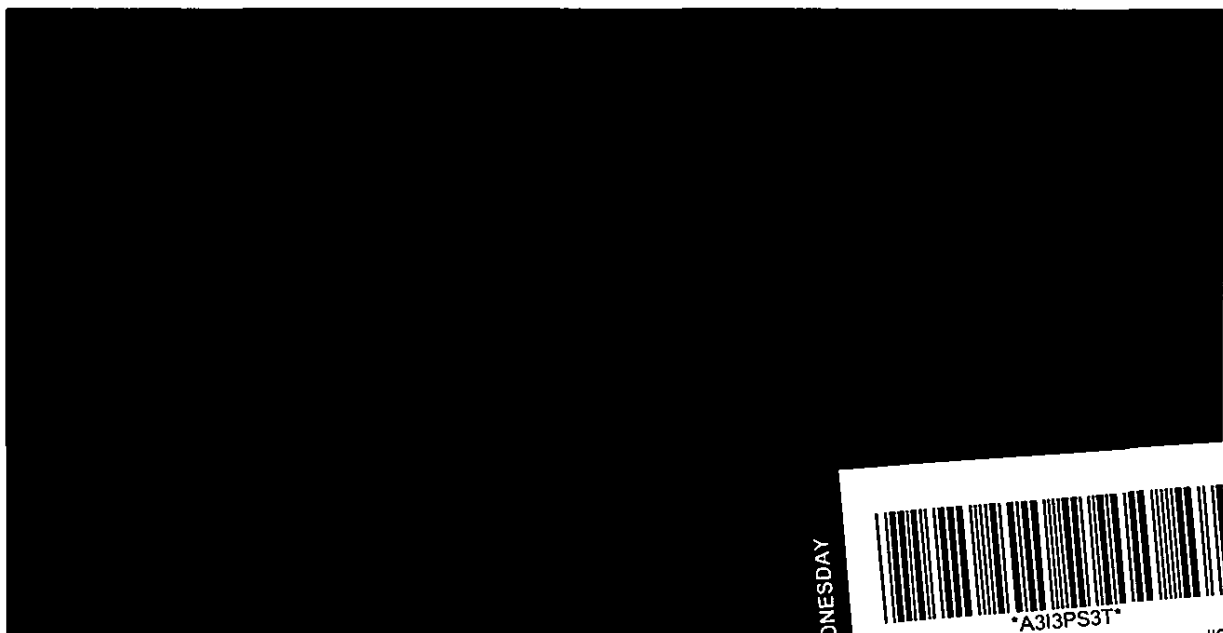
CIRCULATION DATE: 29 September 2014

The undersigned, being the **SOLE MEMBER** of the Company entitled to receive notice of and to attend and vote at a general meeting of the Company, hereby **RESOLVES** and agrees that the special resolution and ordinary resolutions below (the "**Resolutions**") are passed pursuant to and in accordance with Chapter 2 of Part 13 of the Companies Act 2006 and the Resolutions shall be for all purposes valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. For the purpose of the Resolutions, capitalised terms used but not otherwise defined shall have the meaning given in the draft minutes of a meeting of the board of the Company appended as Appendix A hereto.

SPECIAL RESOLUTIONS

THAT the regulations attached as Appendix B hereto be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

ORDINARY RESOLUTIONS



AGREEMENT:

We, being the sole eligible member of the Company (as defined in section 289 of the Companies Act 2006) in respect of this written resolution, agree that the Resolutions be so passed

Signed by



Title

Signed for and on behalf of Cafe Rouge Restaurants Limited

THE COMPANIES ACT 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

**NEW ARTICLES OF ASSOCIATION
of
ORTEGA BARS LIMITED**

PRELIMINARY

Preliminary

- 1 The Regulations contained or incorporated in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) Amendment Regulations 1985 shall not apply to the Company

Interpretation

- 2 In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meanings set out opposite them respectively in the second column.

Meanings

"**Acts**" means the Companies Acts as defined in section 744 of the 1985 Act and the Companies Act 1989

"**these Articles**" means these Articles of Association in their present form or as from time to time altered

"**Board**" means the Board of directors of the Company or the Directors present at a Meeting of the Directors at which a quorum is present

"**Business**" means the business of restaurateurs (which shall include the business of any catering establishments and any other business falling within class A3 as defined in the schedule to the Town and Country Planning (use classes) Order 1987 [SI No 764 of 1987])

"**Call option**" means either of the call options as defined in the Option Agreement

"**clear days**" - in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

"**debenture**" and "**debenture holder**" include debenture stock and debenture stockholder respectively

"End Date" means the earlier of the following

- (a) 5 days following the vesting of the Company's entire interest in the Business in the Pelican Group PLC (or as it may direct) following the exercise of a Call Option or the Put Option.
- (b) the date on which the Option Agreement lapses,
- (c) the date being 7 days after the Offer shall be made

"Executive Director" means a Managing Director, Joint Managing Director, or Assistant Managing Director of the Company or a Director who is the holder of any other employment or executive office with the Company

"Group" means the Company and its subsidiaries from in time to time

"Market Value" means the average value of the Pelican Group Plc's ordinary shares quoted on the Official List of the Stock Exchange calculated on the basis of the average of the middle market quotations of such Ordinary shares as shown by the Stock Exchange Daily Official List for the three business days immediately preceding the date of the Offer, adjusted to take full account of any diminution in value of such ordinary shares following their admission to the Official List of the Stock Exchange

"Member" means a member of the Company

"1985 Act" means The Companies Act 1985

"Offer" shall have the meaning attributed to it in Article 162 hereof

"Office" means the registered office for the time being and from time to time of the Company

"Option Agreement" means the option agreement to be between the Company and The Pelican Group PLC as described in the Prospectus

"Ordinary Shares" shall have the meaning attributed to it in Article 41 hereof

"paid up" means paid up or credited as paid up

"Prospectus" means the prospectus to be issued by the company in or around January 1995 offering for subscription up to 1,000,000 Ordinary Shares under the terms of the enterprise investment scheme

"Put Option" means the put option as defined in the Option Agreement

"Register" means the Register of members of the Company

"Relevant Period" means the period beginning with the date of the incorporation of the Company and ending on the fifth anniversary of the date of the last Issue of shares of the Company pursuant to the prospectus first issued by the Company following its incorporation

"**Seal**" means the common seal of the Company or any official seal that the Company may be permitted to have under the Acts

"**Secretary**" includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary

"**Stock Exchange**" means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited

References in these Articles to writing include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form

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

References to any statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force

Save as aforesaid words and expressions defined in the Acts will bear the same meaning in these Articles if not inconsistent with the subject in the context

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

Business

- 3 Any branch or kind of business which by the Memorandum or Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Company at such time as the Board shall consider appropriate, and, further, may be suffered by them in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business

Share Capital

- 4 1 At the date of the adoption of these Articles the authorised share capital of the Company is £500,002 divided into 1,000,002 ordinary shares of 50p each ("**the Ordinary Shares**") and one 'A' Ordinary Share of £1 ("**the 'A' Ordinary Share**")
- 4 2 The Ordinary Shares and the 'A' Ordinary Share shall be separate classes of shares but subject as expressly provided in these Articles the Ordinary Shares and the 'A' Ordinary Share shall rank pari passu in all respects. The following rights shall be class rights and shall attach to the 'A' Ordinary Share until the End Date
 - (a) The holder of the 'A' Ordinary Share shall have the right from time to time to appoint one Director and to remove any Director appointed by it and from time to time to appoint a director in place of any person ceasing to be such a Director for any reason

- (b) The consent of the holder of the 'A' Ordinary Share shall be required to
- (i) the payment of any remuneration to a Director (excluding for the avoidance of doubt the fees payable to the Chairman of the Board of Directors and to Mills & Reeve under the Administrative Services Agreement and the Registrar's Agreement in each case as referred to in the Prospectus) or the increase of any such remuneration,
 - (ii) the carrying on of any business by the Company other than as involving in that capacity the acquisition, management as above of the business of restaurateurs (which shall include the business of any catering establishments and any other business falling within Class A3 as defined in the schedule to the Town and Country Planning (use classes) Order 1987 [SI No 764 of 1987]) and disposal of property acquired by the Company in each case as set out in and pursuant to the terms of the Prospectus and any other business or matters relating or incidental thereto,
 - (iii) the declaration, payment or making of any dividend or similar distribution,
 - (iv) the incurring of any borrowings in excess of £10,000 by the Company,
 - (v) the creation of any charge lien or other security on any of the assets of the Company including its undertaking any uncalled capital or the giving of any guarantee or indemnity,
 - (vi) the making of any loan, other than credit given in the normal course of trading
- (c) The holder of the 'A' Ordinary Share also has the right, as a class, to exercise such number of votes as is equivalent to one half of the total number of votes capable of being exercised, when voting against the passing of any resolution
- (i) to alter the Memorandum or Articles of Association of the Company,
 - (ii) to wind up the Company,
 - (iii) to reduce the share capital of the Company;
 - (iv) to increase the authorised share capital of the Company;
 - (v) to create any new class of equity share capital of the Company,
 - (vi) to purchase its own shares,
 - (vii) to authorise the Directors of the Company to allot and issue shares in the capital of the Company PROVIDED ALWAYS that this restriction shall not apply in respect of the allotment and issue of Ordinary Shares pursuant to applications made under the Prospectus

Share Rights

- 5 Subject to any special rights conferred on the holders of any shares or class or shares and the Acts, any share in the Company (whether forming part of the present capital or not) 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 determination or so far as the same shall not make specific provision, as the Board may determine (but so that no Ordinary Shares issued by the Company during the Relevant Period shall, during the period of five years from the date of issue, carry any present or future preferential rights to dividends or to the Company's assets on a winding-up or to be redeemed) The Company shall, if required in accordance with section 128 of the 1985 Act, within one month after allotting shares deliver to the Registrar of Companies a statement in the prescribed form containing particulars of special rights
- 6 Subject to the Acts, 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 The terms and manner of redemption will be provided for by alteration of these Articles
- 7 The shares of the Company shall not be allotted at a discount and save as permitted by section 101(2) of the 1985 Act shall not be allotted except as paid up at least to one quarter of their nominal value and the whole of any premium thereon
- 8 No share of the Company shall at any time during the Relevant Period be issued otherwise than fully paid
- 9 Subject to the Acts, the Company may purchase in any manner the Board considers appropriate any of its own shares of any class (including redeemable shares) at any price and any shares to be so purchased may be selected by the Board in any manner whatever PROVIDED THAT the Company shall not exercise such powers without the sanction of an extraordinary resolution passed at a separate meeting of the holders of any shares in the capital of the Company which are convertible
- 10 Save as expressly permitted by sections 151 to 154 of the 1985 Act the Company shall not give financial assistance, whether directly or indirectly, for the purposes of the acquisition of any shares in the Company or its holding company (if any) or for reducing or discharging any liability incurred for the purpose of any such acquisition

Alteration of Capital

- 11 Subject to Article 5 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 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 make any provision for the issue of new shares.
 - 11 2 consolidate and divide all or any of its capital into shares of larger amount 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,
- 11 4 sub-divide its shares, or any of them, into shares of smaller amount that is fixed by the Memorandum of Association (subject, nevertheless, to the Acts) and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares
- 12 The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under Article 11 2, and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions to any person (including subject to the provisions of the Acts, the Company) and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to or in accordance with the directions of their 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, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner

Modification of Rights

- 14 Subject to Article 5 and the Acts and the special rights attaching to any class of shares, all or any of the special rights for the time being attached to any class of shares may from time to time (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-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall, mutatis mutandis, apply, but so that
- 14 1 the necessary quorum (other than at an adjourned meeting) shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class and 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 purposes of these Article(s) one holder present in person or by proxy may constitute a meeting,
- 14 2 every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and
- 14 3 any holder of shares of the class present in person or by proxy may demand a poll

- 15 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
- 16 Any class of shares issued without the right to vote at general meetings should include the words "non-voting" in the name by which the same is designated and where the equity capital of the Company includes shares with different voting rights the designation of each such class (other than the class with the most favourable voting rights attached thereto) shall include the words "limited voting"

Shares

- 16 1 Subject to the Acts, any resolution of the Company pursuant thereto, and these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) will be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine
- 16 2 The Directors are authorised generally and unconditionally for the purposes of section 80 of the 1985 Act to exercise all the powers of the Company to allot relevant securities as defined in sub-section 2 of that section of the Company up to the amount of the authorised but as yet unissued share capital of the Company at the date and time of the adoption of these Articles such authority to expire on the fifth anniversary of the date of adoption of these Articles (unless previously revoked or renewed) and to allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry provided that such allotments would have fallen within the limit set out in this authority if made during the said period The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolutions of the Company in general meeting
- 16 3 The Directors are empowered generally and unconditionally to allot equity securities (as defined by section 94 of the 1985 Act) as if section 89(1) of the 1985 Act did not apply to such allotment
- 17 The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Acts Subject to the Acts and these Articles the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other
- 18 Unless ordered by a Court of competent jurisdiction or required by law, no person will be recognised by the Company as holding any share upon any trust and the Company will not be bound by or required in any way to recognise (even when having notice thereof) any interest in any share in or (except only as otherwise provided by these Articles or by law) any right in respect of any share except an absolute right to the entirety thereof in the registered holder
- 19 Subject to the Acts 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 considers fit to impose

Share Certificates

- 20 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 be sufficient delivery to all. A Member who has transferred part of the shares is entitled to a certificate for the balance without charge
- 21 Every certificate will be
- 21 1 issued (in the case of an issue of shares) within one month (or such longer period as the terms of the issue provide) after allotment or (in the case of a transfer of fully paid shares) within fourteen days after lodgment 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
- 21 2 under the Seal and will specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon. 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
- 22 If a share certificate is worn out, defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in the case of defaced or worn out certificates, on delivery of the old certificate to the Company

Lien

- 23 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
- 24 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, nor 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.

- 25 The net proceeds of 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

- 26 Subject to these Articles and to the terms of allotment the Board may make calls upon the Members in respect of any money 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 and where 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.
- 27 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.
- 28 A person upon whom a call is made will remain liable for calls made upon him 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.
- 29 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 such rate (not exceeding 15 percent per annum) as the board may agree to accept, but the Board may waive payment of such interest wholly or in part.
- 30 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 the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.
- 31 Subject to the terms of allotment, on the 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.
- 32 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, which (unless the Company by Ordinary Resolution otherwise directs) shall not exceed twelve percent per annum, as the Member paying such sum and the Board agree.

Forfeiture of Shares

- 33 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 fourteen clear days' notice
- 33 1 requiring payment of the amount unpaid together with any interest which may have accrued,
- 33 2 stating a place at which payment is to be made, and
- 33 3 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 before the forfeiture declared but not actually paid on the forfeited shares

- 34 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
- 35 The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, reference in these Articles to forfeiture will include surrender
- 36 Until cancelled in accordance with the requirements of the Acts, a forfeited share will be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, 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
- 37 A person whose share has been forfeited shall cease to be a Member in respect of them but nevertheless shall remain liable to pay 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 such rate (not exceeding fifteen percent per annum) as the Board determines The Board may enforce payment without any allowance for the value of the forfeited share
- 38 A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, or disposal of the share

Transfer of Shares

- 39 Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form approved by the Board

- 40 The instrument of transfer shall be executed by or on behalf of the transferor and, in the case of a partly paid share, 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
- 41 The Board may, in its absolute discretion, and without giving' any reason therefore, refuse to register
- 41 1 a transfer of any share which is not a fully paid share.
- 41 2 a transfer of a share on which the Company has a lien.
- 41 3 a transfer in favour of more than four persons jointly.
- 41 4 a transfer which relates to shares of more than one class.
- 41 5 a transfer which is not duly stamped, lodged at the Office, or at such other place as the Board may from time to time determine 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
- 42 The Board shall refuse to register any transfer of any share which would at any time during the Relevant Period result in the Company being under the control (as defined by section 416 of the Income and Corporation Taxes Act 1988) of another company (or under the control of another company and any person connected with that other company (as defined in section 839 of the Income and Corporation Taxes Act 1988) or being a 51 per cent subsidiary of another company (as defined in section 838(1)(a) of the Income and Corporation Taxes Act 1988) or result in any person obtaining a controlling interest in the Company (as defined in section 298(1) of the Income and Corporation Taxes Act 1988)
- 43 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 or within ten days after the Board has determined to refuse to register such transfer, whichever is the earlier, send to the transferee notice of the refusal, as required by section 183(5) of the 1985 Act
- 44 Subject to section 358 of the 1985 Act, 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
- 45 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
- 46 All registered transfers will be retained by the Company, but all others shall (except in any case of fraud) be returned to the person depositing them

Transmission of Shares

- 47 If a Member dies the survivor, or survivors where the deceased was a joint holder, and his 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 shares, but nothing in this Article will release the estate of any deceased member from any liability in respect of any share which had been jointly held by him

- 48 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall notify the Company to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer of shares shall apply to the notice or transfer as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.
- 49 A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a 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 receive notices of or 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 until he shall have become a member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

Untraced Members

- 50 The Company may sell at the best price reasonably obtainable the shares of a Member or the shares to which a person is entitled by means of transmission if and provided that
- 50 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 or to the person so entitled at the address shown in the Register as his address have remained uncashed, and
- 50 2 during such period of twelve years the Company has declared and paid at least three dividends to the Members in accordance with their rights and interests, and
- 50 3 the Company shall, at the end of such period of twelve years, advertise both in a leading daily newspaper published in London and in a newspaper circulating in the area of the said address giving notice of its intention to sell the said shares, and
- 50 4 during such period of twelve years and the period of three months following such advertisements the Company has had indication that such member or person cannot be traced.

To give effect to any such sale 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 a Director or Secretary of the Company and that a share has been duly sold 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 carried 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.

Disclosure of Interests in Shares

- 51.1 If any Member, or any other person appearing to be interested in shares held by such Member, has been duly served with a notice under section 212 of the 1985 Act and is in default for the Prescribed Period in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter by notice (a "**Direction Notice**") to such Member direct that in respect of the shares in relation to which the default occurred (the "**Default Shares**") (which expression shall include any further shares which are issued in respect of such shares) the Member shall not be entitled to vote either personally or by proxy at a general meeting of the Company or a meeting of the holders of any class of share of the Company or to exercise any other right conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares of the Company.
- 51.2 The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the said Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice.
- 51.3 Where the Default Shares represent at least 0.25 per cent of the issued shares of that class then the Direction Notice may additionally direct
- (a) that any cash dividend or other money which would otherwise be payable in respect of each of the Default Shares shall (in whole or any part thereof) be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member, and/or
 - (b) that no transfer of any of the shares held by such Member shall be registered unless
 - (i) the Member is not himself in default as regards supplying the information required and the transfer is of part only of the Member's holding and when presented for registration is accompanied by a certificate by the Member in a form satisfactory to the Board to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or
 - (ii) the transfer is an approved transfer

51 4 Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which the Direction Notice was issued continues and (unless the Board otherwise determine) for a period of one week thereafter but shall cease to have effect in relation to any Default Shares which are transferred by such member by means of an approved transfer. The Board may at any time give notice cancelling a Default Notice

51 5 For the purpose of this Article

(a) a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the said section 212 of the 1985 Act which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 212 notifications) the Company knows or has reasonable cause to believe or suspects on reasonable grounds that the person in question is or may be interested in the shares.

(b) the Prescribed Period is 28 days from the date of service of the notice under the said Section 212 except that, if the Default Shares represent at least 0.25 per cent) of the issued shares of that class, the Prescribed Period is 14 days from such date, and

(c) a transfer of shares is an approved transfer if, but only if

(i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for a company (as defined in section 14 of the Company Securities (Insider Dealing) Act 1985), or

(ii) the Board are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares

51 6 Nothing contained in this Article shall limit the power of the Board under section 216 of the 1985 Act

General Meetings

52 Each general meeting, other than an Annual General Meeting will be called an Extraordinary General Meeting

53 The Board may call General Meetings and, on the requisition of Members pursuant to the provisions of the Acts, shall forthwith proceed to convene an Extraordinary General meeting for a date not later than eight weeks after receipt of the requisition. If there are not, within the United Kingdom, sufficient Directors to form a quorum, any Director or any two Members may call an Extraordinary General Meeting

Notice of General Meetings

54 An Annual General meeting and an Extraordinary General Meeting called 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 -

- 54 1 in the case of a meeting called as an Annual General Meeting by all the Members entitled to attend and vote thereat, and
- 54 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 ninety five percent in nominal value of the shares giving that right

The notice shall specify the time and place of meeting, and the general nature of the business to be transacted. 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 notice from the Company, to all persons entitled to a share in consequence of the death or bankruptcy of a Member and to the Directors and the auditors

- 55 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

- 56 No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the appointment, choice or election of a Chairman which shall not be treated as part of the business of the Meeting. Save as provided in relation to an adjourned meeting, two Members entitled to vote and be present in person or by proxy or (in the case of a corporation) by a duly authorised officer shall be a quorum for all purposes
- 57 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 Board may determine. If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the Meeting one person entitled to be counted in a quorum present at the Meeting shall be a quorum
- 58 Notwithstanding that he is not a member each Director may attend and speak at any General Meeting and at any separate meeting of the holders of any class of shares in the Company
- 59 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, the Directors present shall choose one of their

number to act, or if one Director only is present he shall preside as Chairman if willing to act. If no 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 be Chairman.

- 60 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.
- 61 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 resolutions 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) may in any event be considered or voted upon.

Voting

- 62 Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, on a show of hands every Member present in person shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every share of which he is the holder. 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 or on the withdrawal of any other demand for a poll) a poll is demanded.
- 62 1 by the Chairman, or
- 62 2 by at least two Members entitled to vote at the Meeting; or
- 62 3 by a Member or Members representing not less than one-tenth of the total voting rights of all Members having the right to vote at the Meeting, or
- 62 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 a Member.

- 63 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority or lost 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.

- 64 If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded
- 65 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 in such manner and either forthwith or at such time (being not later than thirty 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 not taken forthwith if the time and place at which it is to be taken are announced at the Meeting at which it is demanded. In any other case at least seven days notice shall be given specifying the time and place at which the poll is to be taken
- 66 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
- 67 On a poll votes may be given either personally or by proxy
- 68 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
- 69 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of such meeting shall be entitled to a casting vote in addition to any other vote he may have
- 70 In the case of joint holder 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
- 71 A Member who is a patient for any purpose 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 by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings
- 72 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 in the Company have been paid
- 73 If
- (a) any objection shall be raised to the qualification of any voter, or
 - (b) any votes have been counted which ought not to have been counted or which might have been rejected, or
 - (c) any votes are not counted which ought to have been counted.

the objection or error shall not 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.

Proxies

- 74 The instrument appointing a proxy shall be in writing under the hand of the appointor or of 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.
- 75 A proxy need not be a Member.
- 76 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 any 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 proposed to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll, or where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, at the Meeting at which the poll was demanded, 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.
- 77 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 relates.
- 78 A vote given or poll demanded 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.

Number of Directors

- 79 Unless and until otherwise determined by Ordinary Resolution, the number of Directors (other than alternate directors) will be a maximum of five but not less than two in number

Appointment and Retirement of Directors

- 80 A director will not require a share qualification
- 81 Subject to these Articles, the Company may by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.
- 82 Without prejudice to the power of the Company in general meeting in pursuance of any of these Articles to appoint any person to be a Director, the Board may at any time and from time to time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed by the Board shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election
- 83 The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the Acts, remove any Director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as a Director
- 84 No person other than a Director retiring at the Meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any General Meeting unless, not less than six and not more than twenty-eight clear days before the day appointed for the Meeting there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled to attend and vote at the Meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected

Disqualification of Directors

- 85 The office of a Director shall be vacated if
- 85 1 he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board,
- 85 2 he is, or may be, suffering from mental disorder and either
- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

- (b) an order is made by a Court having jurisdiction (in the United Kingdom or elsewhere) in the 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, or
- 85 3 without leave, he is absent from meetings of the Board (whether or not an alternate director appointed by him attends) for six consecutive months, and the Board resolves that his office be vacated, or
- 85 4 he becomes bankrupt or makes any arrangement or composition with his creditors, or
- 85 5 he is prohibited by law from being a director, or
- 85 6 he ceases to be a Director by virtue of the Acts or is removed from office pursuant to these Articles
- 86 No person shall be disqualified from being appointed a director and no director shall be required to vacate that office by reason only of the fact that he has attained the age of seventy years or any other age, nor shall it be necessary to give special notice under the Acts of any resolution appointing, re-appointing or approving the appointment of a director by reason of his age, but where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such meeting attained the age of seventy years, the Board shall give notice of his having attained such age in the notice convening the Meeting or in any document sent therewith, but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such director thereat

Rotation of Directors

- 87 The Directors shall not be required to retire from office by rotation

Executive Directors

- 88 The Board may from time to time appoint one or more of its body to be a Managing Director, Joint Managing Director or Assistant Managing Director or to hold any other employment or executive office with the Company for such period (subject to the Acts) and upon such terms as the Board may determine and may revoke or terminate any of such appointments. 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
- 89 An executive director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board (or a committee of the Board duly constituted by the Board for such purpose from time to time) may determine, and either in addition to or in lieu of his remuneration as a director

Alternate Directors

- 90 Any director (other than an alternate director) may appoint any person to be his alternate director and may at his discretion remove such alternate director. If such alternate director is not another director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. 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, 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 for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director.
- 91 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. An 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.
- 92 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.
- 93 An alternate director shall *ipso facto* cease to be an alternate director if his appointor ceases for any reason to be a director provided that, if at any meeting any director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

Directors' Fees and Expenses

- 94 Subject to obtaining the prior written consent in writing of the holder of the 'A' Ordinary Share or any director appointed by the holder of the 'A' Ordinary Share each of the Directors will be paid a fee at such rate as may from time to time be determined by the Board provided that the aggregate of all such fees so paid to directors (excluding amounts payable under any other Article) will not exceed £15,000 per annum, or such higher amount as may from time to time be determined by ordinary resolution of the Company.
- 95 Each director may be paid all travelling, 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 any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a director. Any director who, by request, goes or resides abroad for any purposes of the

Company or who performs services which in the opinion of the Board goes 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

- 96 A Director may
- 96 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 subject to section 319 of the 1985 Act upon such terms as the Board may determine Any 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,
- 96 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,
- 96 3 be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or which the Company may be interested, and (unless otherwise agreed) shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interests in such other company 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
- 97 A director shall not vote or be counted in the quorum on 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)
- 98 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 may be put in relation to each director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and 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 one percent or more
- 99 Subject to the Acts and to 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 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 contracted or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established

- 100 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
- 100 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
- 100 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 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
- 101 Save as otherwise provided by these Articles, a director shall not vote (nor 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, but this prohibition shall not apply to any of the following matters namely
- 101 1 any contract or arrangement for giving to such director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company,
- 101 2 any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part,
- 101 3 any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares debentures or other securities of the Company,
- 101 4 any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company,

- 101 5 any contract or arrangement concerning any other company (not being a company in which the Director owns five percent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever.
- 101 6 any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates,
- 101 7 any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom such arrangement relates
- 101 8 any proposal concerning the purchase and/or maintenance of any insurance policy under which the director may benefit
- 102 For the purposes of Articles 96 to 103 inclusive
- 102 1 a company shall be deemed to be a company in which a Director owns five percent 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 or he and any person with whom he is connected within section 346 or the 1985 Act are the hold of or are beneficially interested in five percent or more or 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 shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder,
- 102 2 where a company in which a Director holds five percent or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction,
- 102 3 if any question shall arise at any meeting or the Board as to the materiality of the Interest of a Director (other than the Chairman or the Meeting) or as to the entitlement or 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 or such Chairman unknown to such Chairman has not been fairly disclosed to the Board

- 103 The Company may by ordinary resolution suspend or relax the provisions of Article 102 to any extent or ratify any transaction not duly authorised by reason or a contravention of Articles 96 to 102 inclusive

General Powers of the Directors

- 104 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 Acts or by these Articles required to be exercised by the Company. In general meeting, subject nevertheless to the provisions of the Acts and of these Articles and to such regulations, being not inconsistent with such provisions may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting 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
- 105 The Board may establish local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent, any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby
- 106 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 as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him
- 107 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
- 108 Subject to the Acts, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it determines respecting the keeping of any such register

- 109 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

Pensions

- 110 On behalf of the Company the Board may exercise all the powers of the Company to grant pensions annuities, gratuities or superannuation or other allowances and benefits in favour of any employee, ex-employee, including any director or former director or the relations, connections or dependants of any director or former director of the Company 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 or dependents of such persons 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 dependent 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
- 111 The Board may by resolution exercise any power conferred by the Acts 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

- 112 Subject to Article 114 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 Acts, 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
- 113 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member, of the Group) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to three times the Adjusted Capital and Reserves
- 114 For the purpose of Article 114
- 114 1 "the Adjusted Capital and Reserves" means at any time a sum equal to the aggregate of

- (a) the amount paid up or credited as paid up on the issued share capital of the Company. and
- (b) the amount standing to the credit of the reserves (including any share premium account capital redemption reserve and any credit balance on profit and loss account) and the whole or any amount set aside for tax equalisation. and
- (c) the amounts standing to the credit of government grants deferred revenue account or other accounts of a similar nature of the Group,

all as shown in a consolidation of the by then latest audited balance sheets of the Group but after -

- (d) deducting any debit balance on profit and loss account (except to the extent that such deduction has already been made),
- (e) making adjustments to reflect any variation in the amount of such reserves or paid up share capital, since the date on the latest audited balance sheet for which purpose any issue or proposed issue of shares by the Company for cash which has been underwritten shall be deemed to have been issued on the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional).
- (f) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of the profits earned up to and including the date of the latest audited balance sheet to the extent that such distributions are not provided for therein.
- (g) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet.
- (h) excluding minority interests in subsidiaries and any sums set aside for taxation (other than in respect of taxation equalisation or deferred taxation),
- (i) taking into account any revaluation of the property or assets of any member for the time being of the Group made by an independent professional valuer. and
- (j) if the calculation is required for the purposes of a transaction under or in connection with which any company is to become or cease to be a subsidiary, making all such adjustments as would be appropriate if such transaction had been carried into effect;

1142 "borrowings" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account -

- (a) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group,
- (b) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group.
- (c) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the Group, of anybody whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group,
- (d) 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, and
- (e) any fixed or minimum premium payable on repayment of any borrowing or deemed borrowing

114 3 "borrowings" shall be deemed to exclude -

- (a) borrowings for the purpose of repaying or redeeming (with or without premium) within six months of being so borrowed in whole or in part any borrowings by a member of the Group for the time being outstanding pending their application for such purpose within such period, and
- (b) borrowings for the purpose of financing any contracting in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

114 4 when the aggregate amount of borrowings required to be taken into account for the purposes of Article 111 and this Article on any particular date is being ascertained:-

- (a) any such moneys 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 provided that any such moneys shall be converted 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
- (b) where under the terms of any borrowing the amount of money 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 purpose of this Article shall be such less amount

- 114 5 "audited balance sheet" shall mean the audited balance sheet of the Company prepared for the purposes of the Acts unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Acts) and in the latter event "audited balance sheet" shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries
- 114 6 The Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Acts if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article
- 115 A certificate or report by the auditors for the time being of the Company as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by Article 114 has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article For the purposes of Article 114 the Board may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit contained in Article 114 is inadvertently exceeded an amount of borrowings equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a certificate of the auditors or otherwise the Board becomes aware that such a situation has or may have arisen
- 116 No lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by Article 114 is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit hereby imposed had been or was thereby exceeded
- 117 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 in 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 assignable 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 Directors

- 118 The Board may meet for the dispatch of business, adjourn or otherwise regulate its meetings as it considers appropriate Questions arising at any meeting shall be determined by a majority of votes In the case of any equality of votes the Chairman

of the Meeting shall not have a second or casting vote. A director may and the Secretary on the requisition of a director shall, at any time summon a Board Meeting

- 119 Subject to Article 120, all or any of the directors may participate in a meeting of the Board or a committee of the Board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Any person so participating shall be deemed to be present in person at the meeting and, subject to the provisions of these Articles, shall be entitled to vote or be counted in a quorum accordingly. 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 is then present
- 120 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
- 121 The quorum necessary for the transaction of the business of the Board shall be two of whom in the case of the holder of the 'A' Ordinary Share appointing a director one shall be the director appointed by the holder of the 'A' Ordinary Share and one of whom shall be a director appointed by Mills & Reeve (a firm) of 112 Hills Road, Cambridge CB2 1PH. 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. In the event that a Board meeting is inquorate then it shall stand adjourned for one week to the same time and place and at such meeting any two directors shall be a quorum
- 122 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
- 123 The Board may elect a chairman and one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the Chairman or any deputy Chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the Meeting

- 124 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
- 125 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 provided that less than one half of the members of the committee comprise co-opted members who are not directors of the Company. A resolution of a committee shall not be effective unless a majority of the members of the committee present at the Meeting and voting are directors of the Company. Save as aforesaid, 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
- 126 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
- 127 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
- 128 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 a director or member of such committee

Minutes

- 129 The Board shall cause Minutes to be made -
- 129 1 of all appointments of officers made by the Board,
- 129 2 of the names of the Directors present at each Meeting of any class of shares in the Company or the Board or committee of the Board, and
- 129 3 of all resolutions and proceedings at all Meetings of the Company, of the Board and of any committee of the Board

Any such Minute as aforesaid, if purporting to be signed by the Chairman of the Meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minute without further proof

Secretary

- 130 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
- 131 A provision of the Acts or these Articles requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary

Seal

- 132 The board shall provide for the custody of every seal. A 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, 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 other person
- 133 Where the Acts so permit, any instrument signed by one director and the Secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on face that it is intended by the person or persons making it to have effect as a deed without the authority of the Board or any committee of the Board
- 134 The Company may exercise all the powers conferred by the Acts with regard to having official seals, and such powers shall be vested in the Board

Authentication of Documents

- 135 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 to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents and 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 is a true and accurate record of proceedings at a duly constituted meeting

Dividends and Other Payments

- 136 Subject to the Acts, the Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board and no dividend (whether interim or final) shall be declared or paid before the date which is 30 days following the fifth anniversary of

the date of the last issue of shares of the Company pursuant to the prospectus first issued by the Company following its incorporation. Articles 137 to 144 (inclusive) shall be effective only subject to the restriction that no dividend shall be declared or paid prior to the fifth anniversary of the date of the last issue of shares of the Company pursuant to the prospectus first issued by the Company following its incorporation.

- 137 Except in so far as the rights attaching to, or the terms of issue of, a share otherwise provide -
- 137.1 all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid on the share, and
- 137.2 all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid
- 138 The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such position, in the opinion of the Board justifies such payment
- 139 The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company
- 140 No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company
- 141 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one or two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders
- 142 Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of

a share into a separate account shall not constitute the Company a trustee in respect thereof

- 143 Any general meeting declaring a dividend may by Ordinary Resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board
- 144 The Board may, with the sanction of an ordinary resolution of the Company, offer Members the right to elect to receive shares credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends as may be specified by the resolution. The following provisions shall apply
- 144 1 The said resolution may specify a particular dividend in respect of which such right to elect is to be available, or may specify that all or any dividends declared or to be declared or paid in respect of a specified period, or for payment not later than the beginning of the annual general meeting next following the passing of such resolution shall be subject to such right
- 144 2 The basis of allotment of shares shall be that the Relevant Value for each Member shall be as nearly as possible equal to (but not more than) the cash amount (exclusive of any imputed tax credit) that such Member would have received by way of the dividend foregone. For the purpose of this clause "Relevant Value" shall be calculated by reference to the market value of the shares to be allotted to be calculated on the basis of a sale between a willing seller and a willing purchaser at the date of declaration by the Company of the dividend and shall be certified by the auditors of the Company from time to time and the auditors costs shall be borne by the Company) and in so certifying the auditors shall act as expert and not as arbitrator and the auditors decision shall be final
- 144 3 The Board, after determining the basis of allotment, shall notify the Members in writing of any right of election offered to them, and shall send forms of election with or following such notification and specify the procedure to be followed and the place at which, and the latest time or date by which, duly completed forms of election must be lodged in order to be effective
- 144 4 The dividend (or that part of the dividend for which a right of election has been given) shall never become payable on shares for which the election has been duly effected ("Elected Shares") and additional shares shall instead be allotted to the holders of the Elected Shares on the basis of allotment determined as aforesaid. For such purpose the Board shall appropriate, as they see fit, out of such of the sums standing to the credit of any reserve or fund (including the profit and loss account), whether or not the same is available for distribution, as the Board may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on such basis and

apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares on such basis

- 144 5 The additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares then in issue save only as regards participation in the dividend in place of which they were allotted
- 144 6 The Board may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares in accordance with the provisions of this Article and may authorise any person to enter, on behalf of all the Members concerned, into an agreement with the Company providing for such allotment and incidental matters and any agreement so made under such authority shall be binding on all such Members
- 144 7 The Board may on any occasion decide that rights of election shall not be made available to any category of shareholders or to any shareholders in any territory where, in the absence of a registration statement or other special formalities or for any other reason, the circulation of an offer of rights of election to such shareholders or in such territory would or might be unlawful or where, in the opinion of the Board, compliance with local laws and/or regulations would be unduly onerous and in such case the provisions of this Article shall be subject to such decision
- 144 8 Every duly effected election shall be binding on every successor in title to the Elected Shares (or any of them) of the Member(s) who have effected the same

Reserves

- 145 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

- 146 The Company may, upon recommendation of the Board, 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

- 147 The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under Article 147 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 proportion 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

- 148 Notwithstanding any other provision of these Articles 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

- 149 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 Acts
- 150 The accounting records shall be kept at the Office or, subject to the Acts, 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
- 151 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 Acts. Provided always that if the Acts so permit the Company need not send copies of such documents to Members who do not wish to receive them but may send them summary financial statements or other documents as may be authorised by the Acts

Auditors

- 152 Auditors shall be appointed and their duties regulated in accordance with the Acts

Notices

- 153 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 to the person who is first named on the Register shall for the purposes be deemed a sufficient service on or delivery to all the joint holders

- 154 Any Member described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company
- 155 Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day after the day when 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
- 156 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
- 157 A notice exhibited at the Office shall be deemed to have been duly given to any member who under any provision of these Articles is not entitled to notices from the Company
- 158 Except as otherwise expressly provided in these Articles, any notice required to be given by the Company to a member shall be sufficiently given if given by advertisement Any notice required to be, or which may be given, by advertisement shall be advertised once in a leading daily national newspaper
- 159 Notice of every General meeting must be sent by post as provided in these Articles except that if postal services in the United Kingdom are suspended or curtailed so that the Company is unable effectively to convene a General Meeting by notice sent through the post, then a General Meeting may be convened by notice advertised in at least two leading national daily newspapers with appropriate circulation one of which shall be a leading national daily newspaper. It is becomes possible to give notice by post at least 48 hours before the Meeting then the Company shall send a duplicate notice by post
- 160 Any document to be served on a Member, other than a notice, may be served in the same manner as for a notice and, in a case where notice might be given by exhibition at the Office or by advertisement in a newspaper, such document shall be deemed to

be duly served if it is available for him at the Office and a notice to that effect is exhibited at the Office or advertised in a newspaper as required by these Articles

Destruction of Documents

161 The Company may destroy -

161 1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation,

161 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.

161 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

161 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 -

(a) 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,

(b) 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 (a) above are not fulfilled, and

(c) references in this Article to the destruction of any document include references to its disposal in any manner

Takeover Offers

162 In the event that an unconditional offer (the "Offer") (open for acceptance in England and Wales for a period of at least 21 days from its delivery (the "Offer Period")) shall be made by or on behalf of The Pelican Group PLC ("Pelican") at any time after the fifth anniversary of the date of the last issue of shares of the Company pursuant to the Prospectus, and in any event before 30th June 2000, to all Members (other than the offeror in the case of the offeror being a Member) to purchase the entire issued share capital of the Company or such part thereof as is not then held by the offeror (the "Shares") for cash at a price per Share of not less than £1 30 (the "Cash Payment") provided always that the Cash Payment (subject as hereinafter mentioned) is to be made to any Member who has accepted the Offer within 7 days after the receipt by

Pelican of that Member's Share Certificate for that Member's holding (or in default of such Share Certificate an indemnity in such form as Pelican may require) and provided that the Offer shall be made to all Members of the Company at the same time and on the same terms, each Member shall be bound to accept such Offer made in the said period and shall transfer all Shares in the Company held by him to the offeror or its nominees in accordance with the terms of the Offer

- 163 Such offer may be made to the Directors on behalf of the Members to which it is intended to be made and the Directors may authorise some person to accept the Offer on behalf of any or all the Members and to execute any necessary documents (including, for the avoidance of doubt, any indemnity in respect of a lost certificate) in relation to the sale and transfer of Shares pursuant to the Offer. The Directors may require a Member on whose behalf the Offer shall have been accepted to deliver to the Directors (or as they may deem fit) the Share Certificate for such holding or (in default of such Share Certificate) an indemnity in such form as Pelican may require as a condition precedent to the release to the Member by Pelican of the Cash Payment applicable to his holding. The Directors shall, subject to the instrument of transfer being duly stamped, cause the transferee to be registered as the holder of such Shares and the Company shall hold the purchase consideration on behalf of any Member who has failed so to deliver a Share Certificate as aforesaid (a "Defaulting Member"). The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Defaulting Member until he shall have delivered his share certificates (or such indemnity as aforesaid) to Pelican or the Company. The receipt of the Company for such purchase consideration shall be a good discharge to the transferee who shall not be bound to see to the application thereof

Winding Up

- 164 If the Company shall be wound up the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied first, in repaying to the Members the amounts paid up on the shares held by them respectively, and the balance (if any) shall be distributed among the Members in proportion to the number of shares held by them respectively. Provided always that the provisions hereof shall be subject to the rights of the holders of shares (if any) issued upon special conditions
- 165 In a winding up any part of the assets of the Company, including any shares in or securities of other companies, may, with the sanction of an Extraordinary Resolution of the Company, be divided among the Members of the Company in specie, or may, with the like sanction, be vested in trustees for the benefit of such Members, and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares whereon there is any liability

Indemnity

- 166 Subject to and so far as may be permitted by the Acts, every director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities (including, but without limitation, any such liability as is mentioned in section 310(3) of the 1985 Act) which he may sustain or incur in or about the execution of his office or otherwise in relation thereto

Share Transfers to Secured Parties

167 Notwithstanding anything contained in these articles, the directors of the Company may not decline to register any transfer of shares in the Company and may not suspend any registration thereof, where that transfer is

- (a) to a Secured Party.
- (b) is delivered to the Company for registration by a Secured Party in order to perfect its security over the shares, or
- (c) is executed by a Secured Party pursuant to the power of sale or otherwise under such security.

and, furthermore, notwithstanding anything to the contrary contained in these articles no transferor of any shares in the Company (or proposed transferor of those shares) and no Secured Party shall be required to offer the shares which are or are to be the subject of any such transfer to the members for the time being of the Company or any of them, and no such member shall have any right under these articles or otherwise to require such shares to be transferred to them whether for consideration or not. Furthermore, notwithstanding anything contained in these articles, the Company and the directors shall not be entitled to exercise any lien which the Company has in respect of those shares

For the purposes of this article, "Secured Party" means a bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets to which a security interest (including by way of mortgage or charge) has been granted over shares in the Company and any affiliate of any such person, an agent or trustee acting for any such person or such affiliate or a nominee of any of the foregoing