

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

- of -

***SMITHSON MASON GROUP LIMITED**

1. The Company's name is "SMITHSON MASON GROUP LIMITED".
2. The Company's registered office is to be situated in England and Wales.
- 3.(a) The Company's objects are to carry on all or any of the businesses of general merchants and traders, manufacturers, assemblers, distributors, importers, exporters, merchants, factors and shippers of and wholesale and retail dealers in goods, wares, produce, products, commodities, fancy goods, handicrafts, and merchandise of every description, to act as agents for and to enter into agreements and arrangements of all kinds on behalf of such persons, firms or companies as may be thought expedient, and to negotiate, assign and mortgage or pledge for cash or otherwise, any such agreements and the payments due thereunder and any property the subject thereof, to carry on all or any of the businesses of mail order specialists, credit and discount traders, cash and carry traders, manufacturers' agents, commission and general agents, brokers, factors, warehousemen, and agents in respect of raw and manufactured goods of all kinds, and general railway, shipping and forwarding agents and transport contractors; to create, establish, build up, and maintain an organisation for the marketing, selling, retailing, servicing, advertisement, distribution or introduction of the products, merchandise, goods, wares, and commodities dealt in or services rendered by any persons, firms or companies, and to participate in, undertake, perform, and carry out all kinds of commercial trading and financial operations and all or any of the operations ordinarily performed by import, export and general merchants, factors, shippers, agents, traders, distributors, capitalists and financiers, either on the Company's own account or otherwise; and to open and establish shops, stalls, stores, markets and depots for the sale, collection and distribution of the goods dealt in by the Company.

**The Company was incorporated on 1st March 1995 under the name of LARMCREST LIMITED. On 16 April 1997 the Company re-registered as a public company and changed its name to SMITHSON MASON GROUP Plc. On 19.12.2001 the Company re-registered as a private company and changed its name to Smithson Mason Group Limited.*



- (b) To carry on any other business of any description which may be capable of being advantageously carried on in connection with or ancillary to the objects of the Company or any of them.
- (c) To purchase, sell, exchange, improve, mortgage, charge, rent, let on lease, hire, surrender, licence, accept surrenders of and otherwise acquire and deal with any freehold, leasehold or other property, chattels and effects, erect, pull down, repair, alter, develop or otherwise deal with any building or buildings and adapt the same for the purposes of the Company's business.
- (d) To purchase or otherwise acquire all or any part of the business or assets of any person, firm or company, carrying on or formed to carry on any business which this Company is authorised to carry on or possessed of property suitable to the purposes of this Company, and to pay cash or to issue any shares, stocks, debentures or debenture stock of this Company, as the consideration for such purchase or acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired.
- (e) To apply for, purchase or otherwise acquire any patents, licences or concessions which may be capable of being dealt with by the Company, or be deemed to benefit the Company and to grant rights thereout.
- (f) To sell, let, licence, develop or otherwise deal with the undertaking, or all or any part of the property or assets of the Company, upon such terms as the Company may approve, with power to accept shares, debentures or securities of, or interests in, any other company.
- (g) To invest and deal with the moneys of the Company not immediately required for the purposes of the Company in or upon such securities and subject to such conditions as may seem expedient.
- (h) To lend money to such persons, upon such terms and with or without security and subject to such conditions as may seem desirable.
- (i) To guarantee the payment of any debentures, debenture stock, bonds, mortgages, charges, obligations, interest, dividends, securities, moneys or shares or the performance of contracts or engagements of any other company or person, and to give indemnities and guarantees of all kinds and to enter into partnership or any joint purse arrangements with any person, persons, firm or company having for its objects similar objects to those of this Company or any of them.
- (j) To borrow or raise money in such manner as the Company shall think fit, and in particular, by the issue of debentures or debenture stock, charged upon all or any of the Company's property, both present and future' including its uncalled capital, and to re-issue any debentures at any time paid off.
- (k) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures, warrants and other negotiable documents.

- (l) To purchase, subscribe for, or otherwise acquire and hold shares, stock or other interests in, or obligations of any other company or corporation.
- (m) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (n) To pay out of the funds of the Company all costs and expenses of or incidental to the formation and registration of the Company and the issue of its capital and debentures including brokerage and commission.
- (o) To promote or aid in the promotion of any company or companies for the purpose of acquiring all or any of the property rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to advance the interests of this Company.
- (p) To establish and support and aid in the establishment and support of funds or trusts calculated to benefit employees or ex-employees of the Company (including any Director holding a salaried office or employment in the Company) or the dependents or connections of such persons and to grant pensions and allowances to any such person.
- (q) To remunerate the Directors of the Company in any manner the Company may think fit, and to pay or provide pensions for or make payments to or for the benefit of Directors and ex-Directors of the Company or their dependents or connections.
- (r) To distribute any property of the Company in specie among the members.
- (s) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

It is declared that the foregoing sub-clauses shall be construed independently of each other and none of the objects therein mentioned shall be deemed to be merely subsidiary to the objects contained in any other sub-clause.

4. The liability of the Members is limited.

*5. The Company's Share Capital is £320,000 divided into 280,000 'A' Ordinary Shares of £1.00 each and 40,000 'B' Ordinary Shares of £1.00 each, with the power to divide the shares in the capital for the time being, into different classes having such rights, privileges and advantages as to voting and otherwise, as the Articles of Association may from time to time prescribe.

**The Company was incorporated with an authorised share capital of £100 divided into 100 Ordinary Shares of £1 each. By Written Resolution passed on 17 February 1997 all of the Ordinary Shares of £1 each were converted into 'A' Ordinary Shares of £1 each and the authorised share capital of the Company was increased to £320,000 divided into 280,000 'A' Ordinary Shares of £1 each and 40,000 'B' Ordinary Shares of £1 each by the creation of 279,900 'A' Ordinary Shares of £1 each and 40,000 'B' Ordinary Shares of £1 each..*

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

SMITHSON MASON GROUP LIMITED

**(Adopted by Written Resolution passed 17 February 1997
amended by Written Resolution on 10 April 1997 and
amended by Written Resolution on 19.12.2001)**

1. Preliminary

The regulations contained or incorporated in Table A in the First Schedule to the Companies (Tables A to F) Regulations 1985 (hereinafter called "Table A") shall apply to the Company (save in so far as they are excluded or varied hereby) and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

2. Interpretation

In these Articles and in Table A the following expressions have the following meanings unless inconsistent with the context:-

"the Act"	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
"these Articles"	of Association, whether as originally adopted or as from time to time altered by special resolution.
"clear days"	the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"the directors"	the directors for the time being of the Company or (as the context shall require) any

“executed”	of them acting as the board of directors of the Company. includes any mode of execution.
“the holder”	in relation to shares means the member whose name is entered in the register of members as the holder of the shares.
“office”	the registered office of the Company.
“seal”	the common seal of the Company (if any).
“secretary”	the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.
“share”	includes any interest in a share.
“the United Kingdom”	Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these Articles and in Table A bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company. Regulation 1 of Table A shall not apply to the Company.

3. **Share Capital**

- 3.1 The authorised share capital of the Company at the time of adoption of these Articles is £320,000 divided into 280,000 “A” ordinary shares of £1.00 each (“A” shares”) and 40,000 “B” ordinary shares of £1.00 each (“B” shares”). The “A” shares and the “B” shares shall be separate classes of shares but, save as hereinafter expressly provided, shall rank pari passu in all respects.
- 3.2 Save as may be provided by regulation 110 of Table A as amended by these Articles all shares which the directors propose to issue shall be comprised of “A” shares and “B” shares pro rata to the number of each class of share then in issue and shall be dealt with in accordance with the following provisions of this Article 3.2:-
 - 3.2.1 any “A” shares proposed to be issued shall first be offered to the holders of “A” shares in proportion to the number of existing “A” shares held by them respectively and any “B” shares proposed to be issued shall first be offered to the holders of the “B” shares in proportion to the number of existing “B” shares held by them respectively unless the Company shall by special resolution otherwise direct.

- 3.2.2 each such offer shall be made by notice specifying the total number of shares being offered to the members as a whole, to holders of each class, the proportionate entitlement of the member to whom the offer is made and the price per share (which shall be the same for each share of each class of share) and shall require each member to state in writing within a period (not being less than fourteen days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said shares up to his proportionate entitlement;
- 3.2.3 an offer, if not accepted within the period specified in the notice as regards any shares, will be deemed to be declined as regards those shares. After the expiration of such period, any "A" shares so deemed to be declined by the holders of "A" shares shall be offered in the proportion aforesaid to the holders of "A" shares who have, within the said period, accepted all the shares offered to them; and any "B" shares so deemed to be declined by the holders of "B" shares shall be offered in the proportion aforesaid to the holders of "B" shares who have, within the said period, accepted all the shares offered to them;
- 3.2.4 any shares not accepted pursuant to such offer and further offers made in accordance with this Article 3.2 or not capable of being offered as aforesaid except by way of fractions shall not be issued;
- 3.2.5 any shares released from the provisions of this Article 3.2 by special resolution in accordance with Article 3.2.1 shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit;
- 3.2.6 all shares which pursuant to the provisions of the regulations of the Company may be issued to a holder of "A" shares or "B" shares shall upon being registered in the name of such holder become "A" shares or "B" shares respectively.
- 3.3 The provisions of Article 3.2 shall have effect subject to section 80 of the Act.

4. **Lien**

The Company shall have a first and paramount lien on every share (not being a fully paid share) standing registered in the name of any person indebted or under liability to the Company in respect of that share, for all moneys presently payable by him or his estate to the Company in respect of the same. Regulation 8 of Table A shall be modified accordingly."

5. **Calls on shares and forfeiture**

There shall be added at the end of the first sentence of regulation 18 of Table A, so as to increase the liability of any member in default in respect of a call, the words "and

all expenses that may have been incurred by the Company by reason of such non-payment”.

6. Transfer of shares

- 6.1 Any person (hereinafter called “the proposing transferor”) proposing to transfer any shares of any class shall give notice in writing (hereinafter called “the transfer notice”) to the Company that he desires to transfer the same and specifying either the price per share at which he is willing to sell them or, in the case where a third party has made a bona fide arms length offer to acquire such shares from the proposing transferor (“a third party offer”), the price shall be the price per share offered by such third party. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some only) of the shares comprised in the transfer notice together with all rights then attached thereto to any member or members holding shares of the same class as those comprised in the transfer notice and willing to purchase the same (hereinafter called “purchasing class members”) at the price specified therein or (if applicable) at the fair value certified in accordance with Article 6.3 (whichever shall be the lower). A transfer notice shall not be revocable except with the sanction of the directors.
- 6.2 The shares comprised in any transfer notice shall be offered to the members (other than the proposing transferor) holding shares of the same class as those comprised in the transfer notice (hereinafter called “class members”) as nearly as may be in proportion to the number of shares of the said class held by them respectively. Such offer shall be made by notice in writing (hereinafter called “the offer notice”) within seven days after the receipt by the Company of the transfer notice. The offer notice shall:-
- 6.2.1 state the identity of the proposing transferor, the number and class of shares comprised in the transfer notice and the price per share specified in the transfer notice and inform the class members that shares are offered to them in accordance with the provisions of this Article 6.2;
- 6.2.2 contain a statement to the effect that the shares are offered in the first instance in the proportion referred to in the opening sentence of this Article 6.2 but go on to invite each class member to state in his reply whether he wishes to purchase more or less shares than his proportionate entitlement and if so what number;
- 6.2.3 contain a statement of the right of each class member to request a certificate of fair value under Article 6.3, the form of such statement to be as near as circumstances permit to that of the first sentence of that Article;
- 6.2.4 contain a statement to the effect that each of the shares in question is being offered to class members at the lower of the price specified in the transfer notice and (if applicable) its fair value certified in accordance with Article 6.3;

- 6.2.5 state the period in which the offer may be accepted if no such certificate of fair value is requested (not being less than forty two days or more than sixty days after the date of the offer notice); and
- 6.2.6 contain a statement to the effect that, if such a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of fourteen days commencing on the date of the notice of the certified fair value given to class members pursuant to Article 6.3 or until the expiry of the period referred to in Article 6.2.5 whichever is the later.

For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a class member in respect of a lesser number of shares than his full proportionate entitlement. If all the class members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy any claims for additional shares (notified in response to the invitation referred to in Article 6.2.2) as nearly as may be in proportion to the number of shares already held by the class members claiming additional shares, provided that no class member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the class members in proportion to their existing holdings, except by way of fractions the same shall be offered to the class members, or some of them, in such proportions as the directors may think fit.

- 6.3 Save where the shares comprised in a transfer notice are the subject of a third party offer and subject to Article 6.16 any class member may, not later than eight days after the date of the offer notice, serve on the Company a notice in writing requesting that the auditors for the time being of the Company certify in writing the sum which in their opinion represents the fair value of each of the shares comprised in the transfer notice as at the date of the transfer notice. If the auditors decline such appointment at their discretion then a person nominated by the President for the time being of the Institute of Chartered Accountants of England and Wales on the application of the directors or any class member on behalf of the Company shall be instructed to give such certificate and any following reference in these Articles to the auditors shall include any person so nominated. Forthwith upon receipt of such notice the Company shall instruct the auditors to certify as aforesaid and the costs of producing such certificate shall be borne by such person(s) as the auditors in their absolute discretion shall decide. In certifying the fair value as aforesaid the auditors shall be entitled to obtain professional valuations in respect of any of the Company's assets and shall be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply. Forthwith upon receipt of the certificate of the auditors, the Company shall by notice in writing inform all class members of the certified fair value of each share and of the price per share (being the lower of the price specified in the transfer notice and the certified fair value of each share) at which the shares comprised in the transfer notice are offered for sale.
- 6.4 If purchasing class members shall be found for all the shares comprised in the transfer notice within the appropriate period specified in Article 6.2, the Company shall not

later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called "the sale notice") to the proposing transferor specifying the purchasing class members and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the purchasing class members.

- 6.5 If the Company shall not give a sale notice to the proposing transferor within the time specified in Article 6.4 or if at the date of the transfer notice there is no member other than the proposing transferor who holds shares of the same class as those comprised in the transfer notice, the transfer notice shall thenceforth be deemed to constitute the Company the agent of the proposing transferor for the sale of all (but not some only) of the shares comprised in the transfer notice together with all rights then attached thereto to any member or members willing to purchase the same (whether or not a class member) at the price specified therein or at the fair value certified in accordance with Article 6.3 (whichever shall be the lower). In any such case the provisions of Articles 6.2 to 6.4 (inclusive) shall apply mutatis mutandis as if references therein to class members were to members (of whatever class) and references to purchasing class members were to purchasing members (of whatever class) and as if the period for service of the offer notice referred to in Article 6.2 was the period of seven days immediately following the expiry of the appropriate period for service of a sale notice on purchasing class members without such a sale notice being served save that the maximum and minimum period in which the offer may be accepted in Article 6.2.5 shall be 7 days and not 42 to 60 days and in Article 6.3 the period in which notice may be served requiring the auditors to certify the fair value of such shares shall be three days and not 8 days.
- 6.6 Notwithstanding the provisions of Article 6.5 but subject to the provisions of Article 6.8, if purchasing class members shall have been found for some only of the shares comprised in the transfer notice pursuant to Article 6.2 the claims of such purchasing class members made pursuant to Article 6.2 shall first be satisfied in preference to the claims of members of any other class made pursuant to Article 6.5.
- 6.7 If the Company shall not give a sale notice to the proposing transferor with the time specified for that purpose (by virtue of Article 6.5) in Article 6.4 in respect of sales to purchasing members of whatever class then subject to the proposing transferor shall, during the period of thirty days next following the expiry of the time so specified be at liberty to transfer all (but not some) of the shares comprised in the transfer notice to any person or persons PROVIDED THAT the price per share obtained upon such share transfer shall in no circumstances be less than the price per share specified in the transfer notice served in accordance with Article 6.1 or (if applicable) as certified in accordance with Article 6.3 (whichever shall be the lower) and the proposing transferor shall upon request furnish such information to the directors as they shall require in relation to the price per share obtained as aforesaid to enable them to satisfy themselves that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser AND FURTHER PROVIDED that a majority in value of the holders of the "B" shares may refuse to permit such transfer or transfers to be made pursuant to this Article 6.7 unless the proposing transferor procures that a

simultaneous offer is also made by such person or persons for all of the "B" shares at the same price per share as offered for the "A" shares comprised in the transfer notice.

- 6.8 If in any case the proposing transferor after having become bound in accordance with the provisions of this Article 6 to transfer shares makes default in transferring any such shares the Company may receive the purchase money on his behalf and may authorise some person to execute a transfer of such shares on behalf of and as attorney for the proposing transferor in favour of the purchasing class members or purchasing members as the case may be. The receipt of the Company for the purchase money shall be a good discharge to the purchasing class members or purchasing members as the case may be. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor.
- 6.9 Any transfer or purported transfer of a share (other than upon transmission of a share pursuant to regulation 29 of Table A upon the death of a member or upon a person becoming entitled to a share in consequence of the bankruptcy of a member) made otherwise than in accordance with the foregoing provisions of Articles 6.1 to 6.8 (inclusive) shall be null and void and of no effect.
- 6.10 If and when required by notice in writing by the holder or holders of (in aggregate) a majority in nominal value of the other shares in the Company so to do (the "call notice"):-
- 6.10.1 a member who transfers or purports to transfer any share in the Company in breach of the foregoing provisions of these Articles shall be bound to give a transfer notice in respect of the shares which he has transferred or purported to transfer in breach of these Articles; or
- 6.10.2 a member who either causes or permits or who suffers any of the events specified in Article 6.11 or, in the case of a member who has received shares pursuant to Article 6.14, where the original transferor of such shares either causes or permits or who suffers any of such aforesaid events shall be bound to give a transfer notice in respect of all the shares registered in the name of such member;
- In the event of such member failing to serve a transfer notice pursuant to Article 6.10.1 or 6.10.2 within thirty days of the date of the call notice such member shall be deemed to have given a transfer notice at the expiration of such period of thirty days and to have specified therein as the price per share the fair value of each share to be certified in accordance with Article 6.3. The provisions of Articles 6.2 to 6.8 (inclusive) and Article 6.12 shall mutatis mutandis apply.
- 6.11 The events specified for the purposes of Article 6.10.2 are:-
- 6.11.1 any direction (by way of renunciation nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself;

6.11.2 any sale, dealing with or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise but excluding any transmission of a share to any person becoming entitled to such share in consequence of the death or bankruptcy of a member) by whomsoever made and whether or not effected by an instrument in writing save where the disposition is by service of a transfer notice in accordance with these Articles;

6.11.3 the holding of a share as a bare nominee for any person;

6.12 The directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer which would otherwise be permitted under the foregoing provisions of this Article 6 if it is a transfer of a share on which the Company has a lien or of a share (not being a fully paid share) to a person who is not already a member and of whom they shall not approve. The directors may also refuse to register a transfer unless:-

6.12.1 it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

6.12.2 it is in respect of only one class of shares; and

6.12.3 it is in favour of not more than four transferees.

Save where the directors' consent is required for a transfer pursuant to Article 6.8 the directors shall register a transfer of shares made pursuant to Articles 6.1 to 6.8 (inclusive) or 6.13 or 6.14 subject to the provisions of this Article 6.12. Regulation 24 of Table A shall not apply to the Company.

6.13 The provisions of Articles 6.1 to 6.10 (inclusive) may be waived in any particular case if all the members give their consent in writing.

6.14 Subject to the provisions of Article 12:

6.14.1 A holder of shares (but excluding a holder to whom shares have been transferred pursuant to this Article 16.14.1) may transfer all of his total holding of such shares:-

6.14.1.1 in the case of an individual whether as Settlor (as hereinafter defined) or otherwise howsoever:-

(a) to a Privileged Relation (as hereinafter defined); or

(b) to trustees to be held on Family Trust (as hereinafter defined); or

6.14.1.2 to a nominee of the holder or where the holder is a nominee for any other person to that person or to another nominee for him Provided that in any such case the transferor certifies to the Company that no beneficial interest in the share passes by reason of the transfer;

6.14.2 Where shares are held by trustees upon Family Trust (as hereinafter defined):-

6.14.2.1 such shares may on any change of trustees be transferred to the new trustees; or

6.14.2.2 such shares may at any time be transferred to any person to whom under this Article 6.14 they could have been transferred by the Settlor if he had been holder thereof.

6.14.3 A holder of "B" shares may transfer all of his "B" shares at any time to a company which is a member of the same group or company which is as the transferor and for the purpose of this Article 6.14.3 the expression "a member of the same group" means in relation to the transferor company a company which is a holding company (as defined in Section 736 of the Act) of the transferor company or a subsidiary (as defined in that Section) of the transferor company or of any such holding company.

6.14.4 Any share may be transferred at any time by a member to the Company upon a purchase by the Company of such share pursuant to the provisions of Part V Chapter VII of the Act.

6.14.5 For the purposes of this Article 6.14:-

6.14.5.1 "Privileged Relation" in relation to a holder means the spouse of the holder, their parents, their children and grandchildren (including, in each case, adopted and step-children);

6.14.5.2 "Family Trust" in relation to a holder means a trust under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the holder or his Privileged Relation in that power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees of such holder or his Privileged Relation;

6.14.5.3 "Settlor" includes a testator and an intestate and a disposition by a Settlor on Family Trust includes trusts arising respectively under a testamentary disposition or on intestacy.

6.14.6 Any person who is a transferee of shares pursuant to this Article 6.14 shall only be entitled to transfer all of his shares pursuant to this Article 6.14 to the original transferor of such shares and shall not otherwise be entitled to transfer his shares pursuant to this Article 6.14 without the prior written consent of the holders of a majority in value of the issued shares of the Company to that effect.

6.15 In determining the fair value of each "A" share or "B" share comprised in any transfer notice under Article 6.3 the auditors (as defined in that Article) shall value each such share on the basis of the value of the Company as a going concern at the date of the transfer notice and multiplying such valuation of the Company by the fraction the numerator of which shall be the nominal value of each such share comprised in the transfer notice and the denominator of which shall be the nominal value of all the shares of the Company in issue at such date other than the preference shares.

6.16 A member who holds "A" shares and also is a director and/or employee of the Company or any of its subsidiaries (an "original member") and/or any member, being a Privileged Relation of or the Family Trust or any other person, (not being a director or employee of the Company or any of its subsidiaries) whose interest in any shares derives directly or indirectly from a transfer made by an original member and permitted by Article 6.14 shall if such original member (or in the case where the member is not himself a director or employee of the Company or any of its subsidiaries, the original member from whom his interest in any shares derives) ceases to be a director of and/or (if an employee) to be employed by the Company or any of its subsidiaries and as a consequence is no longer either a director or employee of the Company or any of its subsidiaries:

6.16.1 be bound where such cessation is by reason of the original member's death, insolvency, disability, ill health, reaching retirement age or the termination of his employment in circumstances where it has been legally established by a court of competent jurisdiction or agreed between the parties that he has been unfairly or wrongfully dismissed or dismissed for redundancy and, in any such case, if the holder or holders(s) when taken together of a majority in nominal value of the "A" shares at their option so require, to give a transfer notice pursuant to the provisions of Article 6 in respect of all the shares then registered in their respective names Provided that for the avoidance of doubt in such circumstances the provisions of Article 6.10 as to the prescribed price shall apply save that a majority in nominal value of the holders of the "A" shares may substitute the value credited as paid up on each share (including any premium) if higher than the price determined in accordance with Article 6.10:

6.16.2 be bound where such cessation is because of any fraudulent act committed by the original member or the commission by the original member of a criminal offence involving dishonesty to give a transfer notice in accordance with the provisions of Article 6 in respect of all the shares then registered in their respective names Provided that in such circumstances the prescribed price referred to in Article 6.10 shall mean the sum of 0.1 pence per share;

6.16.3 be bound where such cessation is for a reason other than one referred to in Articles 6.16.1 or 6.16.2; and

6.16.3.1 occurs within 1 year of the date of adoption of these Articles or (if specified by the board of directors in relation to any shares at the time of allotment) the date upon which the relevant shares held by such original member were first allotted, whichever is the later, if the holder or holder(s) when taken together of a majority in nominal value of the "A" shares at their option so require to give a transfer notice in accordance with the provisions of Article 6 in respect of all the shares then registered in their respective names Provided that in such circumstances the prescribed price referred to in Article 6.10 shall mean the lower of the value credited as paid up on each share (including any premium) and the fair value calculated in accordance with the provisions of Article 6.10 (or, at the instigation of a majority in nominal value of the holders of the "A" shares, at the higher of the 2 values);

6.16.3.2 occurs after one year but not more than 2 years of the date of adoption of these Articles or (if specified by the board of directors in relation to any shares at the time of allotment) the date upon which the relevant shares held by such original member were first allotted, whichever is the later, if the holder or holder(s) when taken together of a majority in nominal value of the "A" shares at their option so require to give a transfer notice in accordance with the provisions of Article 6 in respect of all the shares then registered in their respective names Provided that in such circumstances the prescribed price referred to in Article 6.10 shall mean the lower of the value credited as paid up on each share (including any premium) and an amount equal to 33a% of the fair value calculated in accordance with the provisions of Article 6.10 less the value credited as paid upon each share (including any premium) (or, at the instigation of a majority in nominal value of the holders of the "A" shares, at the higher of the 2 values);

6.16.3.3 occurs after two years but not more than 3 years of the date of adoption of these Articles or (if specified by the board of directors in relation to any shares at the time of allotment) the date upon which the relevant shares held by such original member were first allotted, whichever is the later, if the holder or holder(s) when taken together of a majority in nominal value of the "A" shares at their option so require to give a transfer notice in accordance with the provisions of Article 6 in respect of all the shares then registered in their respective names Provided that in such circumstances the prescribed price referred to in Article 6.10 shall mean the lower of the value credited as paid up on each share (including any premium) and an amount equal to 66b% of the fair value calculated in accordance with the provisions of Article 6.10 less the value credited as paid upon each share (including any premium) (or, at the instigation of a majority in nominal value of the holders of the "A" shares, at the higher of the 2 values);

6.16.3.4 occurs more than 3 years after either the date of adoption of these Articles or (if specified by the board of directors in relation to any shares at the time of allotment) the date upon which the relevant shares held by such original member were first allotted, whichever is the later, if the holder or holder(s) when taken together of a majority in nominal value of the "A" shares at their option so require to give a transfer notice in accordance with the provisions of Article 6 in respect of all of the shares then registered in their respective names Provided that for the avoidance of doubt in such circumstances the provisions of Article 6.10 as to the prescribed price shall apply.

7. If any share of any class is transferred pursuant to any of the provisions of these Articles to a member holding shares of a different class, such share shall as on and from the time of registration of the transfer of that share in the register of members of the Company be ipso facto redesignated as a share of the same class as those already held by that member.
8. For the purpose of ensuring that a transfer of shares is permitted pursuant to the provisions of these Articles or that no circumstances have arisen whereby a transfer notice may be required to be given, the directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after

request, the directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a transfer notice be given in respect of the shares concerned. In any case where the directors have duly required by notice in writing a transfer notice to be given in respect of any shares and such transfer notice is not duly given within a period of thirty days from such notice such transfer notice shall be deemed to have been given at the end of the period of thirty days and such transfer notice shall be deemed to specify as the price per share the fair value of each share to be certified in accordance with Article 6.3 and the provisions of Articles 6.2 to 6.8 (inclusive) and Article 6.12 shall mutatis mutandis apply.

9. In determining the fair value of each share comprised in any transfer notice under Article 6.3 the auditors (as defined in that Article) shall value each share on the basis of the value of the Company as a going concern at the date of the transfer notice and multiplying such valuation of the Company by the fraction the numerator of which shall be the nominal value of each share comprised in the transfer notice and the denominator of which shall be the nominal value of all the shares of the Company in issue at such date.

10. **Transmission of shares**

In the application of regulations 29 to 31 of Table A to the Company:-

- 10.1 any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer;
- 10.2 if a person so becoming entitled shall not have given a transfer notice in respect of any share within six months of the death or bankruptcy, the directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty days of such notice to give a transfer notice in respect of all the shares to which he has so become entitled and for which he has not previously given a transfer notice and if he does not do so he shall at the end of such thirty days be deemed to have given a transfer notice pursuant to Article 6.1 relating to those shares in respect of which he has still not done so;
- 10.3 where a transfer notice is given or deemed to be given under this Article and no price per share is specified therein the transfer notice shall be deemed to specify the sum which shall, on the application of the directors, be certified in writing by the auditors in accordance with Article 6.3 as the fair value thereof.

11. **General meetings**

The directors may call general meetings and regulation 37 of Table A shall not apply to the Company.

12. **Notice of general meetings**

- 12.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and regulation 38 of Table A shall be modified accordingly. The words "or a resolution appointing a person as a director" and paragraphs (a) and (b) in regulation 38 of Table A shall be deleted and the words "in accordance with section 369(3) of the Act" shall be inserted after the words "if it is so agreed" in that regulation.
- 12.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the profit and loss account, balance sheet, and the reports of the directors and auditors, the appointment of, and the fixing of the remuneration of the auditors and the giving or renewal of any authority in accordance with section 80 of the Act.
- 12.3 Every notice convening a general meeting shall comply with the provisions of section 372 (3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditor for the time being of the Company.

13 **Proceedings and voting at general meetings and votes**

No business shall be transacted at any general meeting unless a quorum of members is present throughout the meeting. A quorum shall consist of two members present in person or by proxy or (in the case of a member being a corporation) by representative save that if and for so long as the Company has only one person as a member, one member present in person or by proxy shall be a quorum. Regulation 40 of Table A shall not apply to the Company.

14. If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved. Regulation 41 of Table A shall not apply to the Company.
15. A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be altered accordingly.

16 **Number of directors**

Regulation 64 of Table A shall not apply to the Company.

17 **Alternate directors**

- 17.1 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of the directors of which his appointor is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him), to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor at such meeting as a director in his absence. An alternate director shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. Regulation 66 of Table A shall not apply to the Company.
- 17.2 A director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present and the final sentence of regulation 88 of Table A shall not apply to the Company.
- 17.3 Save as otherwise provided in the regulations of the Company, an alternate director shall be deemed for the purposes specified in Article 17.1 to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply to the Company.

18. **Appointment and retirement of directors**

- 18.1 The number of directors of the Company shall not be less than two nor more than six. One of the directors shall be called the "B" director and shall be appointed and removed by the holders of a majority in nominal value of the "B" shares. Each such appointment and removal shall be by notice in writing under hand of the "B" shareholders holding a majority in nominal value of the "B" shares and shall take effect upon lodgement at the office.
- 18.2 The "B" director shall also be entitled to be appointed to the board of directors of each subsidiary of the Company.
- 18.3 The directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.

19. **Disqualification and removal of directors**

Notwithstanding the provisions of Article 18.1 the office of a director shall be vacated if:-

- 19.1 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director; or
- 19.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 19.3 he is, or may be suffering from mental disorder and either:-
 - 19.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland an application for admission under the Mental Health (Scotland) Act 1960, or
 - 19.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 19.4 he resigns his office by notice to the Company; or
- 19.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated;

and regulation 81 of Table A shall not apply to the Company.

20. **Proceedings of the directors**

- 20.1 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office:-
 - 20.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 20.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 20.1.3 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - 20.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

- 20.1.5 shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 20.1.1 to 20.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.
- 20.2 For the purposes of Article 20.1:-
- 20.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- 20.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 20.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 20.3 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.
- 20.4 The quorum for the transaction of business of the directors shall throughout the meeting be two directors or their respective alternates.
- 20.5 The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all directors indicate their willingness to accept shorter notice of a meeting of the directors, at least 7 clear days' prior notice of the time and place of each meeting of the directors shall be given. Questions arising at any meeting shall be determined by a majority of votes and in the case of an equality of votes the chairman of the meeting shall have a second or casting vote;
- 20.6 A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Notice of every meeting of the directors shall be given to every director in accordance with the provisions referred to in Article 24 but the non-receipt of notice by any director shall not of itself invalidate the proceedings at any meeting of the directors.
- 20.7 Any director including an alternate director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar means of communications equipment whereby all persons participating in the meeting can hear each other and participation in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and 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 then is.

- 20.8 Regulation 88 of Table A shall be amended by substituting for the sentence:-

“It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom”

the following sentence:-

“Notice of every meeting of the directors shall be given to each director and his alternate director, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service”.

- 20.9 The words “of filling vacancies, or” shall be omitted from regulation 90 of Table A.

21. The penultimate sentence of regulation 88 of Table A shall not apply to the Company.

22. **The seal**

If the Company has a seal it shall only be used with the authority of the directors or of a committee of the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined every instrument to which the seal is affixed shall be signed by one director and by the secretary or another director. The obligation under regulation 6 in Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

23. **Capitalisation of profits**

The words “special resolution” shall be substituted for the words “ordinary resolution” in regulation 110 of Table A provided that on any occasion when shares are allotted and distributed credited as fully paid pursuant to the provisions of regulation 110 of Table A as amended by this Article the shares allotted to holders of “A” shares shall forthwith on allotment automatically stand designated as “A” shares and the shares allotted to holders of “B” shares shall forthwith on allotment automatically stand designated as “B” shares.

24. **Notices**

- 24.1 In regulation 112 of Table A the words “first class” shall be inserted immediately before the words “post in a prepaid envelope”.

- 24.2 Where a notice is sent by first class post, proof of the notice having been posted in a properly addressed prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of 24 hours after the

envelope containing the same is posted. Regulation 115 of Table A shall not apply to the Company.

- 24.3 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

25. **Winding up**

In regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

26. **Indemnity**

- 26.1 Subject to the provisions of section 310 of the Act every director (including an alternate director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the court, and no director (including an alternate director) or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto. Regulation 118 of Table A shall not apply to the Company.
- 26.2 The directors shall have power to purchase and maintain at the expense of the Company for the benefit of any director (including an alternate director), officer or auditor of the Company insurance against any liability as is referred to in section 310(1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, (including as an alternate director) officer or auditor.
- 26.3 The directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 26.2.

27. **Variation of class rights**

- 27.1 If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares for that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths in number of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the regulations of the Company relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third in number of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. If any such separate general meeting shall be adjourned owing to the absence of a quorum and if at the adjourned meeting a quorum shall not be present within half-an-hour from the time appointed for such adjourned meeting the holder or holders of shares of the class concerned who are present shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.
- 27.2 Without prejudice to the restrictions contained in these Articles as to the modification of the rights attaching to any class of shares in the Company and to the intent that this Article creates rights attaching to the "B" shares for the purpose of Section 125 of the Companies Act 1985 the Company shall not undertake nor shall it permit any of its subsidiaries to undertake (and so the reference to "the Company" in Article 27.3 shall be a reference to each of such subsidiaries) any of the matters referred to in Article 27.3 without the prior consent or sanction of the holders of the "B" shares given in accordance with the provisions of Article 27.1.
- 27.3 The matters referred to in Article 27.2 are as follows:-
- 27.3.1 the creation, allotment or issue of any shares or securities by the Company or the grant of any right to require the allotment or issue of any such shares or securities;
 - 27.3.2 the increase, reduction, repayment, purchase or re-purchase of division consolidation or other variation of the share capital of the company or the reduction of the amount of any standing to the credit of any non distributable reserve;
 - 27.3.3 the making of any change in the nature of the business of the Company as at the date of adoption of these Articles or in the case of a subsidiary undertaking acquired thereafter as at the date of such acquisition;
 - 27.3.4 the amendment of any provision of the Memorandum of Association or Articles of Association of the Company;
 - 27.3.5 the acquisition or formation or sale or disposal of any subsidiary undertaking;

27.3.6 the proposal at any general meeting of the Company or other passing of any resolution to wind up the Company.