

Company No. 3089347

THE COMPANIES ACTS 1985 TO 1989
PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

LONDON FINANCIAL NEWS PUBLISHING LIMITED

(passed 19 February 1997)

At an Extraordinary General Meeting of the Company duly convened and held at 18-20 Scrutton Street, London EC2 on the 19th day of February 1997 the following Resolution was passed as a Special Resolution:

THAT the Articles of Association of the Company produced at the Meeting and initialled by the Chairman for the purposes of identification be and they are hereby adopted as the Articles of Association of the Company to the exclusion of all other Articles of Association whatsoever.

Chris Wilson

CHAIRMAN



We hereby certify
this to be a true copy
of the original.
Paisner & Co.

Paisner & Co.

Company No: 3089347

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

**NEW
ARTICLES OF ASSOCIATION
OF**

LONDON FINANCIAL NEWS PUBLISHING LIMITED

Adopted on 19 February 1997

1. PRELIMINARY

- 1.1 The regulations contained in Table 'A' in the Schedule to the Companies (Tables A to F) Regulations 1985 made pursuant to Section 8 of the Companies Act 1985 as amended by the Companies Act 1989 (such table and Act being hereinafter referred to respectively as "Table 'A'" and "the Act") shall apply to the Company save insofar as they are excluded or varied hereby. A reference herein to any Regulation is to that regulation as set out in Table A.

- 1.2 In these Articles the following words and expressions shall have the meanings set out below:-

"the Act"	the Companies Act 1985 (as amended)
"A" Ordinary Shares"	"A" Ordinary Shares of 10p each in the capital of the Company having the rights set out in Article 2.3
"Associate"	(a) any nominee or bare trustee for the relevant person or for any other Associate of the relevant person; (b) if the relevant person is a company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;

- (c) any person with whom the relevant person, or any Associate of the relevant person is connected (and the question of whether any such person is so connected shall be determined for this purpose in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988 but as if the words "but does not include a partnership" were excluded from subsection (8) of that Section)

"Auditors"	the auditors for the time being of the Company
"B" Ordinary Shares"	"B" Ordinary Shares of 10p each in the capital of the Company having the rights set out in Article 2.3
"Controlling Interest"	means an interest (within the meaning of Part 1 of Schedule 13 to the Act) in any Ordinary Shares conferring in aggregate more than 50 per cent of the total voting rights conferred by all the Ordinary Shares in the capital of the Company from time to time in issue and conferring the right to vote at all general meetings of the Company
"Deemed Transfer Notice"	a transfer notice deemed to be given under any provision of these Articles
"Director Member"	means any director (not being an employee) of the Company to whom shares (excluding "A" Ordinary Shares) are allotted
"Employee Member"	means any employee of the Company (including a director who is also an employee) to whom shares are allotted save that any employee or director holding "A" Ordinary Shares shall not be an Employee Member for the purposes of these Articles
"ESOP Trustees"	means the trustees from time to time of the London Financial News Publishing Limited ESOP Trust

"Ordinary Shares"	ordinary shares of £1 each in the capital of the Company having the rights set out in Article 2
"Permitted Transfer"	a transfer of shares made pursuant to Article 4
"Preference Shares"	7% Convertible Cumulative Preference Shares of £1 each in the capital of the Company
"Scheme Shares"	means Ordinary Shares acquired pursuant to the exercise of options granted under the Company's Executive Share Option Scheme
"Shares"	Ordinary Shares and Preference Shares
"Subscription Price"	in relation to any share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such share was issued)
"Transfer Notice"	has the meaning attributed to it in Article 5 and includes where the context admits a Deemed Transfer Notice

- 1.3 The Company is a private limited company and accordingly no shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.
- 1.4 Words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereto not in force at the date of adoption of these Articles.
- 1.5 Words importing the singular include the plural, words importing any gender include every gender, and words importing persons include bodies corporate and unincorporate; and (in any case) vice versa.
- 1.6 References to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears.

2. SHARES

2.1 Authorised Share Capital

The authorised share capital of the Company is £772,121.10 divided into 609,831 Ordinary Shares, 90,169 Preference Shares, 589,393 "A" Ordinary Shares and 131,818 "B" Ordinary Shares.¹

2.2 Preference Shares

The Preference Shares shall entitle the holders thereof to the following rights:-

(a) as regards dividends:-

- (i) the Company shall, in priority to payment of any dividend to all other shareholders, pay to the holders of the Preference Shares a fixed cumulative preferential dividend at the rate of 7% per annum ("the Preference Dividend") accruing on a daily basis on the amount paid up of the Subscription Price for such shares, and payable half yearly in arrears on 30th September and 31st March in each year provided that the first payment of such dividend shall be on 31st March 1997 in respect of the period from the date of issue of such shares to that date;
- (ii) if any Preference Dividend (including any amount payable pursuant to this sub-paragraph), is for whatever reason not paid in full on the date when it is payable, then the Company shall be liable to pay to the holders of the Preference Shares (in proportion to the number of Preference Shares held by each of them) on the next date the Preference Dividend is due, in addition to the Preference Dividend then payable, an amount equal to the unpaid Preference Dividend on the date payment was due ("Payment Date") and interest thereon at a rate equal to 2% above the base rate of National Westminster Bank plc at that time such interest to be calculated daily from the Payment Date;

(b) as regards capital:-

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of Preference Shares shall be entitled (in proportion to the number of Preference Shares held by each of them), in priority to all other shareholders, to be paid out of the surplus assets of the Company remaining after payment of its liabilities the Subscription Price (so far as it is paid up) for the

¹ The share capital was increased on 30 January 1996 from £524,169 divided into 434,000 Ordinary Shares and 90,169 Preference Shares to £600,000 divided into 509,831 Ordinary Shares and 90,169 Preference Shares and further increased on 12 February 1996 to £700,000 divided into 609,931 Ordinary Shares and 90,169 Preference Shares. The share capital was further increased on 19 November 1996 to £772,121.10 divided into 609,831 Ordinary Shares, 90,169 Preference Shares, 589,393 "A" Ordinary Shares and 131,818 "B" Ordinary Shares.

Preference Shares together with a sum equal to any arrears of the Preference Dividend calculated down to the date of the return of capital whether declared or not;

- (c) as regards voting in general meetings the Preference Shares shall rank *pari passu* in all respects with the Ordinary Shares in the capital of the Company.
- (d) as regards conversion:-
 - (i) a holder of Preference Shares may at any time up until 30th June 2000, by delivery to the Company at its registered office of the relevant share certificate(s) with the application(s) for conversion printed thereon duly completed, require the Company to convert all or any of the Preference Shares represented by the certificate(s) into fully paid Ordinary Shares of the Company. An application for conversion, once made, shall be irrevocable;
 - (ii) subject to adjustment as hereinafter provided, on conversion each of the Preference Shares shall be converted into one Ordinary Share and shall be redesignated as such within 7 days of receipt by the Company of the relevant share certificates ("the Conversion Date");
 - (iii) the Preference Dividend on any Preference Share shall continue to accrue up to and including the Conversion Date and thereafter shall cease to accrue; the Ordinary Shares arising on such conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and shall entitle the holders to all dividends and other distributions declared, made or paid by reference to a record date occurring after the Conversion Date;
 - (iv) upon a Conversion Date there shall be issued to each holder of Preference Shares who has properly required conversion as at that Conversion Date a certificate for the number of Ordinary Shares resulting from the conversion referred to above and a certificate for the balance (if any) of the Preference Shares still held by him;
 - (v) if whilst any Preference Shares remain in issue, the Company makes any allotment of fully paid Ordinary Shares pursuant to a capitalisation of profits or reserves to any holders of Ordinary Shares of the Company or upon the subdivision or consolidation of any such Ordinary Shares the number and (where appropriate) the nominal value of Ordinary Shares into which the Preference Shares shall be converted on any Conversion Date being or following the record or effective date for such allotment or subdivision or consolidation shall be increased or reduced in due proportion. Such adjustment (if not agreed) shall be determined by the auditors of the Company for the time being, such auditors to act in respect of such determination as experts and not as arbitrators. The determination of the said auditors shall save in the

case of manifest error be binding upon the Company and the preference shareholders;

- (vi) if whilst any Preference Shares remain in issue, the Company makes any offer by way of rights or otherwise of Ordinary Shares to holders of its ordinary share capital (the shares so offered by hereinafter referred to as "new shares") on the occasion of each such offer the Company shall make a like offer or invitation at the same time to each preference shareholder as if his rights to convert his Preference Shares into Ordinary Shares had been exercised in full on the record date for such offer or invitation at the conversion rate then applicable;
- (vii) notice of any such issue by way of capitalisation of profits or reserves or of any subdivision or consolidation of Ordinary Shares or of any such offer by way of rights shall be given to the preference shareholders by the Company forthwith upon the Board resolving to take such action together with notice of the alteration of the conversion rights brought about by such capitalisation subdivision or consolidation or offer;
- (viii) in the event that whilst any Preference Shares remain in issue a Reorganisation (as hereinafter defined) takes place, the preference shareholders shall be given notice of such Reorganisation and shall be entitled to exercise their right to convert their Preference Shares into Ordinary Shares prior to such Reorganisation taking place.

For the purposes of this clause "Reorganisation" shall mean all and any of the following:-

- (a) the implementation of an invitation or offer by the Company of shares or securities of the Company (other than Ordinary Shares) to holders of Ordinary Shares which has the effect of diluting the value of the ordinary share capital of the Company;
- (b) the distribution by the Company to its members of any capital profits or any capital reserves (and insofar as the relevant audited accounts do not distinguish between capital and revenue profits or reserves the Company and the preference shareholders shall be entitled to rely upon a written estimate by the auditors as to the extent to which any part of any profit or reserves should be regarded as capital);
- (c) capitalisation or bonus issue made by the Company to the holders of its Ordinary Shares or other equity share capital;
- (d) the alteration of the rights attaching to all or any part of ordinary share capital in issue from time to time or the attachment thereto of any special rights, privileges or

restrictions, or the creation or issue of any new class of equity share capital other than as Ordinary Shares ranking pari passu in all respects (except as regards any restriction on their rights to receive dividend(s) or other distributions or on their rights to any return of capital or on their rights to participate in any issue by way of capitalisation of profits or reserves or on their voting rights which makes such rights less favourable than those attached to the Ordinary Shares) with the Ordinary Shares of the Company or the conversion of any issued share capital into equity share capital except in accordance with the terms of issue thereof; and

- (e) the purchase by the Company of any of its shares (other than any shares originally issued as redeemable shares) or the reduction of the share capital of the Company or any uncalled liability in respect thereof or (except as for the time being permitted by law without the need for any consent of the court) the reduction of any share premium account or capital redemption
- (ix) no preference shareholder shall be entitled to an allotment of a fraction of an Ordinary Share of the Company and shares representing fractions shall be allotted to a trustee for sale who shall sell the same (without being responsible for any loss thereby incurred) and paid to the Company the net proceeds of such sale for distribution among the persons entitled thereto in proportion to their respective entitlements except that where any individual entitlement amounts less than £2 it will not be so distributed but will be retained for the benefit of the Company.

2.3 Ordinary Shares, "A" Ordinary Shares and "B" Ordinary Shares

The Ordinary Shares, the "A" Ordinary Shares and the "B" Ordinary Shares shall rank pari passu in all respects and shall as regards dividends have the following rights.

After making all necessary provisions for payment in any financial year of the Preference Dividend (together with any interest in relation thereto in accordance with Article 2.2(a)), the Company shall apply any profits which the directors resolve thereafter to distribute in any such year in paying such profits to the holders of the Ordinary Shares, the "A" Ordinary Shares and the "B" Ordinary Shares pro rata to the number of such shares held by each of them.

2.4 Issue of Share Capital

- 2.4.1 Save with the prior consent of the members holding 75 % in nominal value of the issued share capital of the Company (including Shares held by Associates) no share may be allotted or issued to any person except that this Regulation

- 2.4.1 shall not apply to the allotment or issue of shares pursuant to the exercise of options granted under the Company's Executive Share Option Scheme;
- 2.4.2 Subject as aforesaid, the whole of the shares of the Company for the time being unissued shall be under the control of the directors, who are unconditionally authorised for the purposes of Section 80 of the Act generally to allot at any time during the period of 5 years from the date of the adoption of these Articles any relevant securities (as defined by Section 80(2) of the Act) up to an amount equal to the amount of the authorised share capital of the Company as at the date of adoption of these Articles from time to time unissued during the period of such authority.
- 2.4.3 The directors shall be entitled under the general authority conferred by Regulation 2.4.2 above to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company (as defined in Section 80(2) of the Act) to be allotted after the expiry of such authority.
- 2.4.4 Sections 89(1) and 90(1-6) of the Act shall not apply to any allotment of equity securities (as defined in Section 94 of the Act) in the Company.
- 2.5 Subject to the provisions of Part V Chapter VII of the Act the Company may:-
 - 2.5.1 issue any shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof;
 - 2.5.2 purchase its own shares (including any redeemable shares);
 - 2.5.3 make a payment in respect of the redemption or purchase under Sections 159 to 161 or (as the case may be) Section 162 of the Act of any of its shares otherwise than out of its distributable profits or the proceeds of a fresh issue of shares.

3. TRANSFER OF SHARES

- 3.1 Save in the case of a Permitted Transfer the right to transfer shares or any interest in shares in the Company shall be subject to the following restrictions and provisions. References in this **Article 3** to transferring shares shall include the creation of any interest in, charge, lien or trust and the grant of contractual rights or options over or in respect of shares.
- 3.2 If a member at any time attempts to deal with or dispose of a share or any interest therein in contravention of the provisions of these Articles he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such share.

3.3 Where a Transfer Notice in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the Deemed Transfer Notice, the Deemed Transfer Notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually became aware of such facts and the provisions of **Article 5** shall apply accordingly.

3.4 A Deemed Transfer Notice shall not be revocable.

4. PERMITTED TRANSFERS

4.1 A member shall be entitled to transfer his shares (or any interest in them) to an Associate. If at anytime the person to whom the shares are transferred shall cease to be an Associate he shall be deemed to have given a Transfer Notice in respect of all the relevant shares and notwithstanding the provisions of **Article 6**, shares shall at the option of the member be either transferred to the member or such of his Associates as he shall direct or offered to the ESOP Trustees in accordance with **Article 4.2** or to the other members of the Company on the basis set out in **Article 5**.

4.2 A member shall be entitled to transfer his shares (or any interest in them) to the ESOP Trustees. If the ESOP Trustees are not willing to purchase some or all of the relevant shares, such shares shall be offered to the other members of the Company on the basis set out in **Article 5**.

5. PRE-EMPTION RIGHTS

5.1 If a member desires to transfer the legal or beneficial ownership of or any interest in shares in the capital of the Company (or any of them) other than by way of a Permitted Transfer then the following provisions shall apply:-

5.1.1 the party desiring to transfer his shares (the "Proposed Transferor") shall give written notice (the "Transfer Notice") of such desire to the Company setting out the number of shares he wishes to sell (the "Transfer Shares"), the identity of the person (if known) to whom the Proposed Transferor desires to transfer the Transfer Shares, and either the price at which he wishes to sell the Shares or the price offered by the person to whom he wishes to transfer the Shares. The Transfer Shares shall be offered by the Company to the members of the Company (except the Proposed Transferor and the ESOP Trustees) ("the Other Shareholders") at the Prescribed Price (as defined below) on the basis set out in **Article 5.1.2** below. The Other Shareholders (or any of them) may purchase such Shares within the Prescribed Period (as defined below) and at the Prescribed Price. The Transfer Notice shall constitute the Board the agent of the Proposed Transferor for the sale of the Transfer Shares.

5.1.2 If not more than seven days after the date on which the Transfer Notice was given the Proposed Transferor and the Other Shareholders shall have agreed a price per Transfer Share or if a bona fide offer shall have been received

from a third party which remains open for acceptance for the Transfer Shares (but subject to the right of the directors to satisfy themselves that such offer is bona fide for the consideration stated in the offer without deduction, rebate or allowance whatsoever to the purchaser) then whichever is the higher of such prices shall be the Prescribed Price (subject to the deduction therefrom of any dividend or other distribution declared or made after such agreement and prior to the said date). If after the expiry of such period the Proposed Transferor and the Other Shareholders shall have failed to agree the Prescribed Price, then the directors of the Company shall forthwith request the Auditors to determine and certify the sum per Transfer Share considered by them to be the fair value thereof as at the date on which the Transfer Notice was given and the sum per Share so determined and certified shall be the Prescribed Price.

The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall in the absence of manifest error be final and binding on all persons concerned. In the absence of fraud the Auditors shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for such purpose.

- 5.1.3 The Shareholders shall and shall procure that the Company shall supply or make available to the Auditors all information which the Auditors consider relevant in order to enable them to make the certification required pursuant to **sub-clause 5.1.2** above. The Auditors shall further be required to complete their certification within one month after the date they were instructed to value the Transfer Shares and to notify the directors and the Other Shareholders of the Company of their determination.
- 5.1.4 If the Prescribed Price is agreed between the Proposed Transferor and the Other Shareholders or based on a bona fide offer the Prescribed Period shall commence on the date of such agreement. If the Prescribed Price is not so agreed the Prescribed Period shall commence on the date on which the Auditors shall have notified the directors of the Company of their determination of the Prescribed Price. The Prescribed Period shall be a period of **two months**.
- 5.1.5 The Proposed Transferor shall where the Prescribed Price falls to be determined by the Auditors be entitled to withdraw his Transfer Notice by written notice to the Company and the Other Shareholders given at any time during the Prescribed Period even where the Other Shareholders have then given notice to purchase the Shares.
- 5.1.6 The Board shall within two days of the commencement of the Prescribed Period offer the Transfer Shares in writing to all of the Other Shareholders pro rata to their existing holdings of shares ("the Offer"). The Offer shall specify the number of Transfer Shares offered to the member (his "Pro-Rata

Entitlement"). Upon the expiry of the Prescribed Period the directors shall allocate the Transfer Shares in the following manner:-

- (i) to each member who has agreed to purchase shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;
- (ii) if any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of shares held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this paragraph (ii) without taking account of any member whose application has already been satisfied in full.

5.1.7 If the Other Shareholders (or any of them) shall not be willing to purchase all of the Transfer Shares at the Prescribed Price then the Proposed Transferor may (subject to Clause 5.2) at any time up to the expiration of three months after the expiry of the Prescribed Period sell the remaining Transfer Shares to any other person at a price not less than the Prescribed Price.

5.1.8 The Proposed Transferor shall be bound to transfer to such other person who accepts the Offer the number of Transfer Shares being purchased by him upon payment to the Proposed Transferor of the Prescribed Price which payment shall be made within fourteen (14) days of the acceptance of the Offer provided that if the Transfer Notice shall state that the Proposed Transferor is not willing to transfer some only of the Transfer Shares (which he shall not be entitled to do so if he has served a Deemed Transfer Notice) this provision shall not apply unless the Company shall have found purchasers for all of the Transfer Shares.

5.1.9 If in any case the Proposed Transferor, after having become bound as aforesaid, makes default in transferring any Transfer Shares, the Board may receive the purchase money which shall be paid into a separate bank account of the Company and the Board shall nominate some person to execute an instrument or instruments of transfer of the relevant Transfer Shares in the name and on behalf of the Proposed Transferor and thereafter, when such instrument or instruments have been duly stamped, the Board shall cause the name of the relevant party to be entered in the Register of shareholders of the Company as the holder or holders of the relevant shares and shall hold the purchase money in trust for the Proposed Transferor. The receipt of the Board for the purchase money shall be a good discharge to the purchasing party and after its name has been entered in the Register of shareholders in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

- 5.2. Notwithstanding the provisions of **Article 5.1** no transfer of any shares shall be made by a Proposed Transferor (or Proposed Transferors) or registered if it would result in a person or persons who was or were not members of the Company on the date of the adoption of these Articles (and any person or persons acting in concert (within the meaning of the City Code on Takeovers and Mergers) with him or them) obtaining direct or indirect control of a Controlling Interest unless before the transfer is made the proposed transferee(s) ("Buyer") make(s) a written offer (open for acceptance for a period of at least 30 days from its delivery, which shall be made personally on each of the members) to all the members to purchase all the shares in the capital of the Company then in issue (at the same time and on the same terms and conditions for each member) at a price per share not less than the Prescribed Price. No member (including the Proposed Transferor) shall complete any sale of shares to the Buyer unless the Buyer completes the purchase of all the shares agreed to be sold simultaneously.

6. COMPULSORY TRANSFERS - GENERAL

- 6.1 If a member is adjudicated bankrupt or makes any voluntary arrangement or composition with his creditors he shall be deemed to have given a Transfer Notice in respect of all the Shares as shall then be registered in his name immediately before such adjudication or the making of such arrangement or composition.
- 6.2 If a member is the subject of an event referred to in paragraph (c) of regulation 81 he shall be deemed to have immediately given a Transfer Notice in respect of all of the Shares as shall then be registered in his name.
- 6.3 If a Share remains registered in the name of a deceased member for longer than 6 months after the date of his death the directors shall require the legal personal representatives of such deceased member to give a Transfer Notice in respect of such Share.
- 6.4 If a member which is a company either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than for the purpose of a bona fide scheme of reconstruction) it shall be deemed to have given a Transfer Notice immediately before the happening of such event in respect of all of the Shares held by such member at that time.
- 6.5 If an individual being a person who has transferred shares to an Associate pursuant to **Article 4**, dies or is adjudicated bankrupt the directors shall be entitled (but not obliged) to resolve that the Associate who has acquired shares from that person pursuant to **Article 4** (whether directly or by a series of transfers) shall be deemed to have given a Transfer Notice in respect of all the Shares (other than Scheme shares) as shall be registered in the name of such Associate. Such resolution must be passed within 3 months of (i) the date of the relevant event or (ii) (if later) the date on which the directors actually became aware of such event.

7. COMPULSORY TRANSFERS - DIRECTORS AND EMPLOYEES

- 7.1 If a Director Member or an Employee Member ceases to be a director of the Company or ceases to be employed by the Company at any time, he shall be deemed, immediately following such cessation, to have served a Transfer Notice in respect of all Shares held by him (including Scheme shares) pursuant to Article 5.
- 7.2 If a person ("the Acquirer") acquires Shares pursuant to a right or interest obtained as a director or employee of the Company and the Acquirer is not (or has ceased to be) a director or employee of the Company, he shall be deemed, immediately following his acquisition of the Shares, to have served a Transfer Notice in respect of such Shares pursuant to Article 5.
- 7.3 For the purposes of Article 5, the Prescribed Price for the Shares comprised in a Transfer Notice served pursuant to Articles 7.1 or 7.2 shall be either:-
- 7.3.1 such price as shall be agreed for such purposes between the directors and the relevant Member or, as the case may be, the Acquirer; or
- 7.3.2 in default of such agreement, such price as determined by the Auditors in accordance with Article 5.1.2.
- 7.4 In the case of the transfer of any shares occasioned by a Director Member or Employee Member ceasing to be a director of the Company or ceasing to be employed by the Company, the relevant date in respect of which a fair value shall be determined under Article 5.1.2 shall be the date on which the cessation takes effect as recorded by the Company.

8. COMPANY SEAL

- 8.1 The Company may have a Common Seal ("the Seal"). Share Certificates shall be executed in accordance with the Act and Regulation 6 of Table A shall be modified accordingly. The Seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a director and by the Secretary or by two directors.
- 8.2 A document signed by a director and the Secretary of the Company, or by two directors of the Company, and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the Seal of the Company.

9. LIENS AND CALLS

- 9.1 The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of any member whether solely or one of two or more

joint holders for all monies presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share, shall extend to all dividends payable thereon.

- 9.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

10. PROCEEDINGS AT GENERAL MEETINGS

- 10.1 A resolution in writing, as is referred to in Section 381A of the Act, signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings or by their proxies (or being corporations by their duly authorised representatives) or by their attorneys shall, subject to compliance with Section 381B of the Act (rights of the Company's auditors to be sent written resolutions proposed to be agreed and to respond if they wish), be as effective for all purposes as a resolution duly passed at a General Meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more members or their proxies (or being corporations by their duly authorised representative) or by their Attorneys.
- 10.2 Subject to compliance with Section 381A of the Act, a resolution to which every member has signified his approval by cable, telex, telegram, telemesssage or facsimile transmission shall be as effective for all purposes as a resolution duly passed at a General Meeting of the Company duly convened and held.
- 10.3 No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the Meeting proceeds to business: save as herein otherwise provided two members present in person or by proxy or (if a corporate member) by a duly authorised representative shall constitute a quorum. Regulation 40 shall not apply.
- 10.4 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place (or to such other time and place as all the members may agree in writing). If at any adjourned meeting such quorum is not present within half an hour from the time appointed for the adjourned meeting any two members present in person or by proxy shall be a quorum. Regulation 41 shall not apply.
- 10.5 In the case of an equality of votes, whether on a show of hands or on a poll the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.

11. APPOINTMENT OF DIRECTORS

- 11.1.1 (a) Holders of the "A" Ordinary Shares shall have the right to appoint two directors of the Company and to remove such directors at any time and appoint replacements thereof.
- (b) Any appointment or removal of directors made pursuant to the provisions of Article 11.1.1(a) shall be in writing and signed by the holders of the majority of the issued "A" Ordinary Shares (signature in the case of a corporate body being sufficient if made by a director thereof or his duly appointed attorney) and shall be addressed to the Secretary and take effect on delivery at the registered office of the Company.
- (c) Each shareholder (other than a holder of "A" Ordinary Shares) who shall be the registered holder of 20% or more in nominal value of the issued share capital of the Company from time to time (inclusive of shares held by Associates of such shareholders) (a "20% shareholder") shall have the right to appoint, maintain and remove a director of the Company.
- 11.1.2 Any such appointment shall be effected by notice in writing to the Company by the appointor and the appointor may in like manner at any time and from time to time remove from office any director appointed by him pursuant to this Article and appoint any person in place of any director so removed.
- 11.1.3 A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgement at the registered office of the Company or on delivery to a meeting of the directors or to the Secretary.
- 11.1.4 Every director appointed pursuant to this Article shall hold office until he is either removed in the manner provided by this Article or dies or vacates office pursuant to these Articles and neither the Company in general meeting or the directors shall have power to fill any such vacancy.
- 11.1.5 Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine;
- 11.2 The directors shall not be subject to retirement by rotation and accordingly Regulations 73 to 75 shall not apply and all other references in the Regulations to retirement by rotation shall be disregarded;
- 11.3 No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply;

- 11.4 Regulation 81 shall be modified so that the office of a director shall also be vacated if shall be removed from office as a director as provided in this **Article 11**.
- 11.5 Subject to Article 11.1.4 the Company in General Meeting may appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors.
- 11.6 The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors.
- 11.7 No person shall be disqualified from becoming a director by reason of his attaining or having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.

12. PROCEEDINGS OF DIRECTORS

- 12.1 The quorum for the transaction of the business of the directors be two directors or their alternates.
- 12.2 A director who declares his interest therein in the manner provided by the Act may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he shall so vote, his vote shall be counted and he shall be counted in the quorum when any such contract or arrangement is under consideration.
- 12.3 A resolution in writing signed by all the directors or a resolution to which all such directors have signified their approval by cable, telex, telegram, telemessage or facsimile transmission shall be as effective for all purposes as a resolution passed at a meeting of the directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the directors, but so that the expression "director" in this Article shall not include an alternate director unless he has been appointed by a director who is for the time being absent from the United Kingdom.
- 12.4 Subject to the provisions of these regulations, the directors may regulate their proceedings as they think fit.
- 12.5 A director may, and the Secretary at the request of any director shall, call a meeting of the directors.
- 12.6 In the case of an equality of votes, the Chairman shall not have a second or casting vote.

- 12.7 A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 12.8 It shall be necessary to give notice of meetings to directors who are absent from the United Kingdom provided that such directors have given to the Company forwarding addresses and despatch of notices to such addresses shall be deemed good and effective notice pursuant to these regulations.
- 12.9 Directors or, if appropriate, their alternates may participate in a meeting of directors or committee thereof by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other; participation by such means shall be deemed to constitute presence in person and business so transacted shall be as effective for all purposes as a meeting of the directors duly convened and held with all directors present.

13. ASSOCIATE DIRECTORS

- 13.1 The directors shall have power from time to time to designate any person or persons in the employment of the Company not being directors as an Associate director or Associate directors of the Company and also at any time to revoke such designation as regards any person so appointed.
- 13.2 The designation of a person as an Associate director shall not confer upon him the status of a director or entitle him to vote at meetings of the directors or to attend such meetings unless specifically invited to attend; none of the provisions of these regulations or of the Act and the Company Directors Disqualification Act 1986 concerning directors shall apply to an Associate director.
- 13.3 A person designated as an Associate director shall not unless the directors otherwise determine be entitled to any additional remuneration on that account and the terms of any service agreement between the Company and such a person shall in no way be affected by his designation as an Associate director or by the revocation thereof. He shall be entitled to be described as an Associate director of the Company so long as he shall continue to be so designated.

14. INDEMNITY

The Company shall be entitled to purchase and maintain a policy of insurance for its officers and auditor in accordance with S.310(3) of the Act and accordingly Regulation 118 of Table A shall be modified by the addition at the end of the said Regulation of the words "and the Company shall be entitled to purchase and maintain for any of its officers or its auditor any policy of insurance indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company."