

Company No. 3198330

THE COMPANIES ACTS 1985 TO 1989  
COMPANY LIMITED BY SHARES  
SPECIAL AND ORDINARY RESOLUTIONS

OF

**ROUSE AND CO. INTERNATIONAL LIMITED**

Passed on [ ] September 1998

*28-11*

**SPECIAL RESOLUTION**

THAT:- the existing 150,000 "A" Ordinary Shares of £1 each and the existing "Non-Voting A" Ordinary Shares of £1 each in the Capital of the Company BE RE-DESIGNATED AS Ordinary Shares of £1 each in the Capital of the Company to rank pari passu in all respects.

**SPECIAL RESOLUTION**

THAT:- the 300,000 Ordinary Shares of £1 each in the capital of the company be sub-divided into 3,000,000 Ordinary Shares of £0.10 each.

**SPECIAL RESOLUTION**

✓ THAT:- the regulations contained in the document submitted to this meeting and, for the purpose of identification, signed by the chairman hereof be approved and adopted as the Articles of Association of the Company in substitution for all the existing Articles thereof.

**ORDINARY RESOLUTION**

THAT:- the directors of the company be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise any powers of the Company to allot relevant securities of the Company up to a maximum nominal amount of £53,000 during the period of one year from the date of this Resolution.

Signature.....  
CHAIRMAN



Company No: 3198330



P E Rouse  
Chairman

THE COMPANIES ACTS 1985 and 1989

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

-of-

ROUSE & CO. INTERNATIONAL LIMITED

adopted by a Special Resolution passed  
on 28<sup>th</sup> September 1998

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1. INTERPRETATION

1.1 In these Articles:

'the Act' means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

'IMT' means the International Management Team;

'Net Asset Value' means the amount by which the aggregate of the fixed and current assets of the Company and its subsidiary undertakings as shown in an audited consolidated balance sheet as at the accounting date most recently prior to the date upon which any Ordinary Shares have to be valued for the purposes of their transfer or sale exceed the aggregate of the liabilities as shown therein provided that if between the relevant accounting date and the date of transfer an event has occurred which in the reasonable opinion of the IMT has resulted in a material depletion of the Net Asset Value and such depletion has been reflected in the consolidated management accounts approved by the IMT then the Net Asset Value shall be as shown in the consolidated management accounts most recently produced prior to the date upon which the relevant shares are offered for sale.

'Net Asset Value Per Share' means the Net Asset Value divided by the number of Ordinary Shares in issue.

'Shareholders' Agreement' means the agreement dated 28<sup>th</sup> September 1998 made by (1) Alain Benjamin Swainston Goodger, (2) Anna Christina Helen Booy, (3) Anthony James Tweedale Willoughby, (4) Barbara Helen Elizabeth Halliday, (5) Bian Zi-Zhen, (6) Edward Antony Hardcastle, (7) Gary William Davies, (8) Peter Edward Rouse, (9) Rupert Alan Ross- Macdonald, (10) Shireen Emma Peermohamed, (11) Stuart David Adams, (12) Timothy James Carey Lovell and (13) the Company.

- 1.2 Words and expressions defined in the Act have the same meanings in these articles, unless inconsistent with the context.
- 1.3 The renunciation of a right to be allotted shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 8 to 13.
- 1.4 A reference in these articles to a 'subsidiary' or 'holding Company' is to be construed in accordance with section 736 of the Companies Act 1985 and a reference to a 'subsidiary undertaking' or a 'group undertaking' is to be construed in accordance with sections 258 and 259 of the Companies Act 1985.
- 1.5 A reference in these articles to the masculine gender shall be deemed to include the feminine gender.

## **2. TABLE A**

- 2.1 The regulations contained in Table A in the Schedule to the Companies (Tables A-F) Regulations 1985, as amended ('Table A'), apply to the Company except to the extent that they are excluded by or inconsistent with these Articles.
- 2.2 The first sentence of regulation 24 and regulations 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply.

## **3. PRIVATE COMPANY**

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

## **4. SHARE CAPITAL**

The share capital of the Company at the date of adoption of these Articles is £300,000 divided into 3,000,000 ordinary shares of 10p each.

## **5. PROVISIONS APPLYING ON EVERY TRANSFER OF ORDINARY SHARES**

- 5.1 The directors may not register a transfer of Ordinary Shares unless:
- 5.1.1 it is permitted by Article 6 or has been made in accordance with Article 7 or Articles 8 or 9; and
  - 5.1.2 the proposed transferee has entered into an agreement to be bound by the Shareholders Agreement in the form required by that agreement.
- 5.2 Shareholders are not entitled to transfer Ordinary Shares unless the transfer is permitted by Article 6 or has been made in accordance with Articles 7, 8 or 9.

## **6. PERMITTED TRANSFERS OF ORDINARY SHARES**

- 6.1 With the consent of the holders of 70% or more of the Ordinary Shares in issue the directors of the Company shall be entitled to register the transfer of Ordinary Shares to a person who is not at that time a Shareholder. In the absence of such consent the directors shall not be entitled to register the transfer.
- 6.2 An Ordinary Share may be transferred with the consent of the IMT to the spouse and/or lineal descendants by blood or adoption of the shareholder or to the trustees of a trust of which the

only beneficiaries (and the only people capable of being beneficiaries) are the Ordinary Shareholder who established the trust and who is transferring the relevant shares and his spouse and/or his lineal descendants by blood or adoption; and the trustees of such trust may not transfer Ordinary Shares under Article 6.2 other than to replacement trustees of the same trust.

## **7. COMPULSORY TRANSFER**

- 7.1 Article 7 applies when an employee of the Company who is an Ordinary Shareholder and/or has transferred the relevant shares pursuant to Article 6.2 ceases to be an employee of the Company by virtue of any of the following:
- 7.1.1 his contract of employment is terminated by the Company either summarily or on notice in accordance with the relevant contractual entitlement or otherwise;
  - 7.1.2 his contract of employment is terminated by the Company by virtue of Clause 9 of the Shareholder Agreement;
  - 7.1.3 he is guilty of misconduct resulting in disqualification from any professional body or similar organisation;
  - 7.1.4 or ceases to be an employee by virtue of some other circumstances and having done so breaches the restrictive covenants contained in his service agreement or contract of employment.
- 7.2 At any time after the cessation of employment or the Company becoming aware of a breach of any restrictive covenant, the IMT may serve notice requiring the Ordinary Shareholder and each trustee of the trust to whom he transferred shares pursuant to Article 6.2 (**'Compulsory Seller'**) to offer all of his Ordinary Shares (**'Sale Shares'**) to:
- 7.2.1 a person or persons intended to take the employee's place;
  - 7.2.2 any of the existing employees of the Company;
  - 7.2.3 an employees' share scheme of the Company; and/or
  - 7.2.4 any other person or persons approved by resolution of the IMT
- (**'Offerees'**). The IMT's notice may reserve to the IMT the right to finalise the identity of the Offerees once the price for the Sale Shares has been agreed or certified.
- 7.3 The Compulsory Seller shall then offer the Sale Shares to the Offerees free from all liens, charges and encumbrances together with all rights attaching to them on the following terms.
- 7.4 The price for the Sale Shares shall be the price agreed between the Compulsory Seller and the IMT or, if they do not agree a price within 14 days of the IMT's notice, the price certified by the Company's auditors, acting as experts and not as arbitrators, to be the Net Asset Value per share multiplied by the number of Sale Shares being offered for sale. The costs of the Company's auditors shall be paid by the Company.
- 7.5 Within seven days after the price for the Sale Shares has been agreed or certified:

- 7.5.1 the Company shall notify the Compulsory Seller of the names and addresses of the Offerees and the number of Sale Shares to be offered to each;
- 7.5.2 the Company shall notify each Offeree of the number of Sale Shares on offer to him; and
- 7.5.3 the Company's notices shall specify the price per share and state a date, between 7 and 14 days later, on which the sale and purchase of the Sale Shares is to be completed ('**completion date**').
- 7.6 By the completion date the Compulsory Seller shall deliver the stock transfer forms for the Sale Shares with the relevant share certificates to the Company. On the completion date the Company shall pay the Compulsory Seller, on behalf of each of the Offerees, the agreed or certified price for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Seller without any obligation to pay interest.
- 7.7 To the extent that Offerees have not, by the completion date, put the Company in funds to pay the agreed or certified price, the Compulsory Seller shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Compulsory Seller shall have no further rights or obligations under Article 7 in respect of those Sale Shares.
- 7.8 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the completion date, the IMT may authorise any Director to transfer the Sale Shares on the Compulsory Seller's behalf to each Offeree to the extent that the Offeree has, by the completion date, put the Company in funds to pay the agreed or certified price for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.

## 8. PRE-EMPTION RIGHTS

- 8.1 An Ordinary Shareholder (the '**Selling Shareholder**') who wishes to transfer Ordinary Shares to a person to whom Article 6 and 7 does not apply shall serve notice on the Company ('**Sale Notice**') stating the number of shares he wishes to transfer ('**Sale Shares**') and his asking price for each share ('**Asking Price**').
- 8.2 The Selling Shareholder may state in the Sale Notice that he is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them.
- 8.3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms which the Company shall notify to the other holders of Ordinary Shares within seven days of receiving the Sale Notice:
  - 8.3.1 the price for each Sale Share is the Asking Price;
  - 8.3.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;
  - 8.3.3 each of the other holders of Ordinary Shares (except those who are Compulsory Sellers for the purposes of Article 7) is entitled to buy the Sale Shares in proportions

reflecting, as nearly as possible, the nominal amount of their existing holdings of Ordinary Shares and an Ordinary Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement provided that no such other holder shall be entitled to buy more than twice the number of Sale Shares registered in his name or which he has transferred pursuant to Article 6.2.

- 8.3.4 Ordinary Shareholders may offer to buy any number of the Ordinary Shares that are not accepted by the other Ordinary Shareholders ('**Excess Shares**') but subject to the maximum purchase entitlement of each such Ordinary Shareholder as referred to in clause 8.3.3;
- 8.3.5 21 days after the Company's despatch of the terms for the sale of the Sale Shares ('the **Closing Date**'):
  - 8.3.5.1 the Sale Notice shall become irrevocable;
  - 8.3.5.2 an Ordinary Shareholder who has not responded to the offer in writing shall be deemed to have declined it; and
  - 8.3.5.3 each offer made by an Ordinary Shareholder to acquire Sale Shares shall become irrevocable.
- 8.4 If the Company receives offers for less Ordinary Shares than the number of Sale Shares, each Ordinary Shareholder who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received.
- 8.5 Within seven days after the Closing Date, the Company shall notify the Selling Shareholder and the holders of Ordinary Shares who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer:
  - 8.5.1 the Company shall notify the Selling Shareholder of the names and addresses of the Ordinary Shareholders who are to buy Sale Shares and the number to be bought by each;
  - 8.5.2 the Company shall notify each Ordinary Shareholder of the number of Sale Shares he is to buy; and
  - 8.5.3 the Company's notices shall state a place and time, between 7 and 14 days' later, on which the sale and purchase of the Sale Shares is to be completed.
- 8.6 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 8.5, the directors may authorise any director to transfer the Sale Shares on the Selling Shareholder's behalf to the buying Ordinary Shareholders concerned against receipt by the Company of the relevant sale proceeds. The Company shall hold the relevant sale proceeds in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the relevant sale proceeds shall be a good discharge to the buying Ordinary Shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the relevant sale proceeds for the Sale Shares.
- 8.7 If, by the Closing Date the Company has not received offers for all the Sale Shares, the Selling Shareholder may within the next two months require the Company to buy back the Sale Shares subject to and in accordance with the provisions of Article 11.

- 8.8 In the event that a person remains an Ordinary Shareholder having ceased to be an employee of the Company then on the fifth anniversary of the date of his cessation of employment the IMT shall serve notice requiring the Ordinary Shareholder and each trustee of any trust to whom he has transferred shares pursuant to Article 6.2 to offer such number of his Ordinary Shares for sale as shall result in the relevant individual retaining no more than 2% of the issued share capital of the Company held by its executives. The provisions of Article 7 shall apply mutatis mutandis to such offer.

## 9. BRING-ALONG RIGHTS

If transfers under Article 6.1 or 8 result in members of the purchasing group holding or increasing their shareholding to 70% or more of the Ordinary Shares in issue, the members of the purchasing group may, by serving a '**Compulsory Purchase Notice**' on each other Ordinary Shareholder ('**Minority Shareholder**') require all the Minority Shareholders to sell all their Ordinary Shares to one or more persons identified by the members of the purchasing group at the highest consideration paid for each Ordinary Share whose proposed transfer has led to the issue of the Compulsory Purchase Notice.

The shares subject to the Compulsory Purchase Notices shall be sold and purchased in accordance with the provisions of Articles 7.6 to 7.8 mutatis mutandis:

- 9.1 the 'completion date' being the date which is 14 days after the service of the Compulsory Purchase Notice;
- 9.2 'Sale Shares' being the Minority Shareholder's Ordinary Shares;
- 9.3 'Compulsory Sellers' being the Minority Shareholders; and
- 9.4 'Offerees' being the persons identified as purchasers in the Compulsory Purchase Notice.

While Article 9 applies to a Minority Shareholder's shares, those shares may not be transferred otherwise than under Article 9.

## 10. DEATH AND DISABILITY

- 10.1 The Company shall take out insurance cover on the lives of Ordinary Shareholders which shall be at an aggregate level of not less than the Net Asset Value (the '**Aggregate Insurance Cover**'). Such insurance proceeds shall be applied in accordance with the provision of this Article 10.
- 10.2 On the death of any Ordinary Shareholder (or a person who was an Ordinary Shareholder but then transferred his holding of Ordinary Shares pursuant to Article 6.3) the personal representatives of that Ordinary Shareholder shall have the option ('the Put Option') to require the other Ordinary Shareholders to purchase all (but not some only) of the Ordinary Shares registered in the name of the deceased Ordinary Shareholder (or in circumstances where he has transferred Ordinary Shares pursuant to Article 6.3 his spouse, lineal descendants (by blood or adoption) or the relevant trustees (as the case may be)) (together the '**Aggregate Deceased Shareholding**'). The Asking Price for the Aggregate Deceased Shareholding shall be such proportion of the Aggregate Insurance Cover as equals the proportion of the Aggregate Deceased Shareholding to the issued share capital of the Company at the date of exercise of the Put Option. On the exercise of the Put Option the Ordinary Shareholders other than the Deceased Ordinary Shareholder will become bound to complete the purchase of the Aggregate Deceased Shareholding in proportion (as nearly as may be without involving fractions) to the number of Ordinary Shares held by each surviving Ordinary Shareholder. The provisions of Articles 8.5 and 8.6 shall apply to completion of the

said sale and purchase. The Put Option shall be exercised by notice in writing signed by the personal representatives of the Deceased Ordinary Shareholder which such notice may only be served during the period of 6 months from the date of death of the Deceased Ordinary Shareholder. A notice once given may not be withdrawn except with the written consent of the IMT.

- 10.3 On the death of any Ordinary Shareholder or a person who was an Ordinary Shareholder but then transferred his holding of Ordinary Shares pursuant to Article 6.2 the surviving Ordinary Shareholders shall have the option ('the Call Option') to purchase the Aggregate Deceased Shareholding from the registered proprietor thereof (which for the purposes hereof shall include any person becoming entitled to the Ordinary Shares in consequence of the death of the Deceased Ordinary Shareholder) at the date of death. The Asking Price for the Aggregate Deceased Shareholding shall be such proportion of the Aggregate Insurance Cover as equals the proportion of the Aggregate Deceased Shareholding to the issued share capital of the Company at the date of exercise of the Call Option. On the exercise of the Call Option the surviving Ordinary Shareholders will become bound to complete the purchase of the Aggregate Deceased Shareholding in the proportion (as nearly as may be without involving fractions) to the number of shares held by each Ordinary Shareholder other than the Deceased Ordinary Shareholder. The provisions of Articles 8.5 and 8.6 shall apply to completion of the said sale and purchase. The Call Option shall be exercised by notice in writing signed by each of the Ordinary Shareholders other than the Deceased Ordinary Shareholder which such notice shall only be served during the period of 6 months from the date of death of the Deceased Ordinary Shareholder. A notice once given may not be withdrawn except with the written consent of the IMT.
- 10.4 In the event that any Ordinary Shareholder becomes the victim of a critical illness in circumstances whereby the critical illness cover obtained by the Company from [ ] agrees to make payment then the victim of the critical illness shall have an option in identical terms to that contained in Article 10.2 and the other Ordinary Shareholders shall have an option in identical terms to that contained in Article 10.3 save that any references to personal representatives shall for the purposes of this Article 10.2 be construed as meaning the victim of the critical illness.

## 11. BUY-BACK

- 11.1 If a Selling Shareholder has been unable to dispose of all his Sale Shares pursuant to Article 8 such Selling Shareholder shall have the option ('the Buy Back Option') to require the Company to buy back all (but not some only) of the Sale Shares (but subject to Article 11.2) at the price referred to in Article 7.4. The Buy Back Option shall be exercised by notice in writing signed by the Selling Shareholder and delivered to the registered office of the Company addressed to the individual who is from time to time its managing director.
- 11.2 A Buy Back Option shall only be exercisable if and to the extent that no more than forty per cent (40%) of the Ordinary Shares in issue are the subject of a Buy Back Option in any accumulated period of twelve months. In those circumstances a Selling Shareholder shall either exercise the Buy Back Option in respect of some only of the Sale Shares such that the aggregate number of Ordinary Shares the subject of a Buy Back Option is equal to 40% of the Ordinary Shares in issue or alternatively serve notice in writing in accordance with the procedure set out in Article 11.1 of a desire to exercise the Buy Back Option at the earliest time when having taken into account the number of Ordinary Shares that the Selling Shareholder wishes to make the subject of a Buy Back Option less than forty per cent of the Ordinary Shares in issue are the subject of a Buy Back Option.
- 11.3 Completion of the Buy-Back Option shall be conditional upon shareholder approval pursuant to the Company Act 1985 and the provisions of Clause 7 of the Shareholders Agreement.

Subject to satisfaction of such conditions the Company shall complete the buy back of the Ordinary Shares the subject of the Buy Back Option (but subject to Article 11.2) on the fifth business day next after the date upon which the shareholders of the Company approve the purchase by the Company of the Ordinary Shares the subject of the Buy Back Option. The Company undertakes to obtain such approval as soon as is reasonably practicable after receipt of the notice exercising the Buy Back Option ('the Redemption Date'). On or before the Redemption Date the Selling Shareholder shall deliver to the registered office of the Company certificates in respect of the Ordinary Shares to be redeemed on the Redemption Date.

- 11.4 The Company shall in the case of a redemption in full cancel the share certificates of the Selling Shareholder who has exercised the Buy Back Option and in the case of a redemption of part of a shareholding included in the certificate either efface a memorandum of the amount and date of the redemption on such certificate or cancel the same and without charge issue to the relevant shareholder a fresh certificate for the balance of the shares not redeemed on that occasion.
- 11.5 The purchase price for the Ordinary Shares the subject of the Buy Back Option shall be payable by the Company in four equal annual instalments, together with interest at a rate equal to the base rate of Coutts & Co. on any sums outstanding, the first such payment to be made on completion of the purchase and the balance annually thereafter. The obligations of the Company to make such payment shall be subordinated to all other liabilities of the Company and no right to petition for the winding-up of the Company shall accrue in the event that an instalment is not paid on its due date. In the event of the liquidation of the Company at a time when sums are outstanding pursuant to the terms hereof such outstanding sums shall be treated as share capital such that the relevant creditor shall not be in a preferential position to the Ordinary Shareholders at the date of liquidation.

## **12. GENERAL PROVISIONS**

### **12.1 Shareholders' meetings and resolutions.**

- 12.1.1 Regulation 37 of Table A is modified by the deletion of the words 'eight weeks' and the substitution for them of the words '28 days' after the second word of that regulation.
- 12.1.2 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.
- 12.1.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 12.1.4 Regulation 53 of Table A is modified by the addition at the end of the following sentence: 'If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly.'
- 12.1.5 Regulation 57 of Table A is modified by the inclusion after the word 'shall' of the phrase 'unless the directors otherwise determine'.
- 12.1.6 Regulation 59 of Table A is modified by the addition at the end of the following sentence: 'Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it.'

- 12.1.7 Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words 'deposited at' and by the substitution in paragraph (a) of the words 'one hour' in place of '48 hours' and by the substitution in paragraph (b) of the words 'one hour' in place of '24 hours'.

## 12.2 Number of Directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to any maximum and the minimum number is one.

## 12.3 Appointment, Retirement and Removal of Directors

- 12.3.1 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 12.3.2 The holders of a majority of the shares giving the right to vote at general meetings may at any time from time to time by serving notice on the Company remove any director from office and appoint any person to be a director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice.

## 12.4 Disqualification and Removal of Directors

### 12.4.1 The office of a director shall be vacated if:

- 12.4.1.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 12.4.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 12.4.1.3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;
- 12.4.1.4 he resigns his office by notice in writing to the Company;
- 12.4.1.5 he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated;
- 12.4.1.6 by reason of any illness or accident or other cause he is prevented from discharging his duties as a director for a period in excess of 183 days in any 12 months;
- 12.4.1.7 he has become addicted to betting or gambling of any kind or addicted to alcohol or indulge in other scandalous conduct detrimental to the Company or its reputation;
- 12.4.1.8 he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or
- 12.4.1.9 he commits or has committed (and does not in either case remedy such breach, if remediable, within 14 days of written notice of the breach being

given to him by the directors), a material breach of the Shareholders Agreement or a material breach of his service agreement.

## 12.5 Proceedings of Directors

- 12.5.1 Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentence: 'Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting either prospectively or retrospectively.'
- 12.5.2 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of the directors is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is 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.

- 12.5.3 Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least five working days' notice shall be given to each director provided that with the consent of a majority of the directors, board meetings may be held less frequently and convened on less notice.
- 12.5.4 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him, and regulations 88, 89, 91 and 93 of Table A shall not apply.
- 12.5.5 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

## 12.6 IMT

- 12.6.1 In accordance with Regulation 72 of Table A the directors shall delegate to the IMT such of their powers as they may consider desirable. Any such delegation may be made subject to any conditions the directors may impose but shall be to the exclusion of their own powers. Subject to any such conditions the proceedings of the IMT shall be governed by those regulations of Table A regulating the proceedings of directors so far as they are capable of applying as varied in Article 12.5. Meetings of the IMT shall take place no less frequently than every two weeks by way of conference calls and three times per annum in full meeting and shall be chaired by the managing director of the Company from time to time.
- 12.6.2 The powers delegated to the IMT shall be as follows:
  - 12.6.2.1 the daily management of the business of the Company in its ordinary course;
  - 12.6.2.2 the appointment or termination of employment of senior managers or executives other than an individual who is also to be or is a director of the Company in which case the matter shall be decided by the Directors of the Company;
  - 12.6.2.3 determination of the remuneration to be paid to any employee and the variation thereof and the identity of the recipient of any shares or right to subscribe for shares pursuant to any employment share or share option scheme;
  - 12.6.2.4 the disposal (including the lease to a third party) or acquisition by the Company or any Subsidiary Undertaking of any business, undertaking or shares;
  - 12.6.2.5 the entering into, termination or variation of any contract or arrangement between the Company or any Subsidiary Undertaking and any supplier thereto;
  - 12.6.2.6 the incurring by the Company or any Subsidiary Undertaking of any borrowing and the negotiation of all facilities with its bankers;

12.6.2.7 responsibility for the issue and signature of all cheques, bank authorities and similar instructions and payment requests to the bankers of the Company or any Subsidiary Undertaking in accordance with the mandate instructions previously approved by the directors;

12.6.2.8 the instigation or settlement of any litigation or arbitration proceedings by or against the Company or any Subsidiary Undertaking;

12.6.2.9 capital expenditure of the Company or any Subsidiary Undertaking treating the entering into by the Company or any Subsidiary Undertaking of any lease, licence, hire purchase or similar obligation as capital expenditure of an amount equal to the rental and other payments payable as a result of the obligation;

12.6.2.10 the closure of any business unit operated by the Company or any Subsidiary Undertaking.

## 12.7 Borrowing Powers of Directors

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as a collateral security for any debt, liability or obligation of the Company or of any third party.

## 12.8 Dividends

The directors may deduct from any dividend or other moneys payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.

## 12.9 Capitalisation of profits

The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares rank for dividends, so long as those shares remain partly paid, only to the extent that those partly paid shares rank for dividend and regulation 110 of Table A is modified accordingly.

## 12.10 Notices

12.10.1 Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: 'A member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address.'

12.10.2 A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, and 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as air-mail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice sent by post but left at a member's registered address is deemed to have been given on the day it was left.

12.10.3 Regulation 116 of Table A is modified by the deletion of the words 'within the United Kingdom'.

## 12.11 Indemnity

12.11.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director or secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

12.11.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director, secretary or auditor, or former director, alternate director, secretary or auditor of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefit scheme or another trust in which a director, alternate director or secretary or former director, alternate director or secretary is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.



P E Rouse  
Chairman