

COMPANY NUMBER: 3199030

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF CARDIFF RUGBY FOOTBALL CLUB LIMITED

1. The name of the Company is **CARDIFF RUGBY FOOTBALL CLUB LIMITED** (hereinafter called "the Company").
2. The registered office of the Company will be situate in England and Wales.
3. The objects for which the Company is established are:—
 - 3.1.1 to promote, encourage and foster the game of Rugby Union Football ("the Game") at all levels and in accordance with the laws according to which the Game is played throughout the world and promulgated by the world governing body of the Game from time to time; to ensure that the Game is administered in accordance with any relevant rules and regulations; to operate a club or clubs with the aim of promoting, fostering and encouraging the Game for the benefit of its or their members and third parties; to promote and undertake matches, fixtures, tournaments, meetings, coaching and any other activities connected with, or incidental or ancillary to, the Game, and to strengthen the bonds between any such club and its local community;
 - 3.1.2 to acquire by conveyance, transfer, conversion or amalgamation all or any of the property, assets and liabilities and to accept the transfer and undertake the engagements of Cardiff Rugby Football Club and/or the Rugby Section of Cardiff Athletic Club;
 - 3.1.3 to carry on the business or businesses whether together or separately of proprietors, operators, promoters and organisers of all kinds of sports, entertainments, competitions, recreations, amusements, games, pastimes and leisure and health activities whether indoor or outdoor and of facilities, services, clubs and products relating thereto;
 - 3.1.4 to carry on business as proprietors or managers of restaurants, hotels, bars, refreshment and tea rooms, cafes and snack bars, public houses and wine, beer and spirit merchants, and as caterers;
 - 3.1.5 to carry on the business of travel agents, tourist agents and contractors, banking, insurance, forwarding and general agents and brokers, and charters,



agents for operators or air, sea, land or inland waterway carriage undertakings and for road transport, owners and hirers, hotel, apartment and lodging-house keepers, caterers and storekeepers, promoters, and managers of clubs and societies (sporting, travelling, social, health, educational or otherwise) and publishers and sellers of books, periodicals and newspapers and generally to facilitate travelling and to provide for tourists and travellers and promote the provision of facilities for such persons of every description and in particular by means of the booking of travel tickets and accommodation and hotel and lodging accommodation, providing guides, safe deposits, inquiry bureaux and baggage transport, and arranging and operating tours;

- 3.1.6 to start, acquire, print, publish, circulate or otherwise deal with any newspaper or newspapers, magazines, books or other publications, and generally to carry on the business of newspaper proprietors and general publishers;
- 3.1.7 to hold or promote competitions of any description authorised by law, which may be calculated to increase or promote the business or activities of the Company or any of its subsidiaries or any charities or worthy causes or to advertise or promote the sale of any publication issued by it, products sold or distributed by it or service provided by it or in which it is interested and to give prizes in connection with such competitions or otherwise, consisting of cash, scholarships or other payments, shares or other choses in action, gifts in kind, or any other description of bonus or reward, or any rights, privileges or advantages which it is in the power of the Company to confer;
- 3.1.8 to carry on all or any of the businesses of general merchants and traders, cash and credit traders, providers of hospitality, conference and exhibition facilities, manufacturers' agents and representatives, insurance brokers and consultants, estate and advertising agents, mortgage brokers, financial agents, advisers, managers and administrators, hire purchase and general financiers, brokers and agents, commission agents, importers and exporters, manufacturers, retailers, wholesalers, buyers, sellers, distributors and shippers of, and dealers in all products, goods, wares, merchandise and produce of every description and to participate in, undertake, perform and carry on all kinds of commercial, industrial, trading and financial operations and enterprises;
- 3.1.9 to carry on the business of a holding company and in all its branches and for that purpose to acquire and hold either in the name of the Company or in that of any nominee or trustee, shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company, corporation or undertaking wherever incorporated or carrying on business and to co-ordinate, finance, manage and administer any companies, corporations or undertakings in which the Company is a member or participant or which are controlled by or associated with the Company in any manner;

- 3.1.10 to carry on business as a general commercial company;
- 3.2 to carry on any other business which may in the opinion of the directors be conveniently carried on by the Company;
- 3.3 to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it;
- 3.4 to pay all costs, charges and expenses incurred in connection with the promotion and establishment of the Company, including the cost of advertising, commissions for underwriting, brokerage, printing and stationery;
- 3.5 to employ brokers, commission agents and underwriters upon any issue of shares, debentures or other securities of the Company and to provide for the remuneration for their services in cash, or by the issue of shares, debentures or other securities of the Company, or by the grant of options to take the same, or in any other manner allowed by law;
- 3.6 to purchase or otherwise acquire all or any part of the business, property and liabilities of any company, society, partnership or person, and to conduct and carry on or liquidate any such business;
- 3.7 to purchase, take on lease or otherwise acquire for the purposes of the Company any estates, lands, buildings, easements or other interests in real estate, and to sell, let or otherwise dispose of or grant rights over any real property belonging to the Company;
- 3.8 to purchase or otherwise acquire, construct, equip, maintain and adapt any premises and other installations and any plant, machinery and other things which may seem necessary to convenient for the purposes of the Company;
- 3.9 to apply for and take out, purchase or otherwise, acquire any designs, trade marks, patents, patent rights or inventions, copyright or secret processes, and to grant licences to use the same;
- 3.10 to manufacture, buy, sell and generally deal in any plant, machinery, tools, goods or things of any description;
- 3.11 to let on lease or on hire the whole or any part of the real and personal property of the Company on such terms as the Company may determine;.

- 3.12 to improve, manage, construct, repair, develop, exchange or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company;
- 3.13 to issue, or guarantee the issue of, or the payment of interest on, the shares, debentures, debenture stock or other securities or obligations of any company or associations, and to pay or provide for brokerage, commission and underwriting in respect of any such issue;
- 3.14 to enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.
- 3.15 to draw, make, accept and to indorse, discount and negotiate, bills of exchange, promissory notes and other negotiable or transferable instruments.
- 3.16 to receive money on deposit at interest or otherwise;
- 3.17 to lend or procure the advance of money with or without security or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company) to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company subsidiary, fellow subsidiary or associated company as aforesaid);
- 3.18 to invest the money of the Company in such manner as may be determined;
- 3.19 to subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- 3.20 to establish agencies (and local boards) in Great Britain and elsewhere, and to regulate and discontinue the same;
- 3.21 to sponsor or subsidise any cultural or sporting event, performance or exhibition, to support and subscribe to any charitable or public object and to support and

subscribe to any institution, society of club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained;

- 3.22 to enter into and carry into effect any arrangement for joint working or profit-sharing, or for amalgamation, with any other company, or any partnership or person, carrying on business within or calculated to promote the objects of this Company;
- 3.23 to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- 3.24 to manage, finance, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies;
- 3.25 to sell, dispose of, or transfer the business, property and undertaking of the Company, or any part thereof, for any consideration.
- 3.26 to accept stock or shares in, or the debentures or other securities of, any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company;

- 3.27 to act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- 3.28 to remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid in full or in part or otherwise as may be thought expedient.
- 3.29 subject to and in accordance with due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1) (a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- 3.30 to distribute among the Members of the Company in kind any property of the Company of whatever nature.
- 3.31 to procure the Company to be registered or recognised in any part of the World.
- 3.32 to do all or any of the things (in any part of the world) either alone or in conjunction with, or as fact ors, trustees or agents for any other companies or persons, or by or through any factors, trustees or agents;
- 3.33 generally to do all such other things as may appear to the Company to be incidental or conducive to the attainment of the above objects or any of them.

AND so that:-

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause or by reference to or inference from the name of the Company.
- (2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate Company.
- (3) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

4. The liability of the Members is limited to the amount (if any) unpaid on the shares held by them.
5. The share capital of the Company is £7,750,000 divided into seven million Ordinary Shares of One Pound each and seven hundred and fifty thousand Heritage Shares of One Pound each.

WE, the persons whose names and addresses are subscribed, wish to be formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names

Name, Address and Description of Subscriber	Number of Shares taken by the Subscriber
MB Incorporations Limited, care of Morgan Bruce, 167 Fleet Street, London. EC4A 2JB.	One Ordinary Share of One Pound each FOR AND ON BEHALF OF MB INCORPORATIONS LIMITED
MB Secretaries Limited, care of Morgan Bruce, 167 Fleet Street, London. EC4A 2JB.	One Ordinary Share of One Pound each FOR AND ON BEHALF OF MB SECRETARIES LIMITED
Total shares taken	Two Ordinary Shares of One Pound each

Date: 3rd May 1996

Witness to the above signature:

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SIOBHAN FINNERAN
167 Fleet Street
London. EC4A 2JB.

COMPANY NUMBER: 3199030

THE COMPANIES ACTS 1985-1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION of CARDIFF RUGBY FOOTBALL CLUB LIMITED

INTERPRETATION

1.1 In these Articles:-

"the Act"	means the Companies Acts 1985-89 including any statutory modification or re-enactment thereof for the time being in force;
"the Appointors"	means the trustees for the time being of Cardiff Athletic Club (referred to collectively), Peter Thomas, John Smart and any other person holding at least 500,000 Ordinary Shares whom the Directors may invite to appoint;
"the Articles" or "these Articles"	means these Articles of Association of the Company;
"Special Director"	means any director appointed pursuant to Article 22 or 23;
"Directors"	means the directors for the time being of the Company;
"executed"	includes any mode of execution whether under seal or under hand;

"Heritage Shares"	means Heritage Shares of £1 each in the capital of the Company;
"the holder"	in relation to shares means the member whose name is entered in the register of members as the holder of the shares;
"John Smart"	means each of John Smart, Janet Elizabeth Smart and the J.R. Smart (Limited) Pension Plan (1994) referred to together;
"Office"	means the registered office of the Company;
"Ordinary Shares"	means Ordinary Shares of £1 each in the capital of the Company;
"Secretary"	means any person appointed to perform the duties of the secretary of the Company;
"Shares"	means Ordinary and Heritage Shares referred to together or as the context shall admit;
"Transfer"	includes:– <ul style="list-style-type: none"> (i) any direction (by way of renunciation 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; (ii) any sale or other disposition of any beneficial interest in a Share (whether or not for

consideration or otherwise) by whomsoever made and whether or not effected by an instrument in writing;

- (iii) the renunciation of a renounceable letter of allotment;

but excludes :

- (a) the transfer to a person becoming entitled to a Share in consequence of the death or bankruptcy of a member;
- (b) the transfer by a person retiring as a trustee to a new trustee or by trustees to persons entitled to the beneficial interest thereof;
- (c) the transfer to a company or friendly society formed to acquire the whole or substantially the whole of the undertaking and assets of Cardiff Athletic Club;

all and any such excluded transfers being a "Permitted Transfer" for the purposes of these Articles;

1.2 unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act or any statutory modification thereof in force when the Articles become binding on the Company;

1.3 the Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("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.

PRIVATE COMPANY

2. The Company is a private company and accordingly the Company shall not:–
 - 2.1 offer to the public (whether for cash or otherwise) any shares in or debentures of the Company;
 - 2.2 allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of these shares or debentures being offered for sale to the public.

SHARE CAPITAL

- 3.1 The capital of the Company at the date of adoption of these Articles is £7,750,000 divided into 7,000,000 Ordinary Shares and 750,000 Heritage Shares. The Shares constitute separate classes of shares but save as expressly provided in the Articles shall confer the same rights upon the holders thereof and rank pari passu in all respects.
- 3.2 Except with the prior approval of the holders of a majority in number of the Heritage Shares the Company will not:–
 - (a) alter the general nature of the business of the Company so as to constitute a substantial alteration to the business of the Company For the purposes of this paragraph (a) any cessation of or material reduction in the playing of rugby union football shall be deemed to be a substantial alteration in the general nature of the business of the Company;

- (b) pursue the development of any new business unless it complements and supports the primary business activity of the Company being that of running a professional rugby union team;
- (c) change the Club colours from Cambridge blue and black (changes to the Club colours (including the strip) in the normal course of playing and to comply with advertising and promotional commitments of the Company being permitted however at the discretion of the Directors);
- (d) change the location of the Company's home ground from within the boundaries of the City of Cardiff;
- (e) issue any notice to shareholders of a general meeting at which a special resolution or a change in name of the Company is to be proposed.
- (f) in any way modify the rights attaching to any class of its shares or subdivide its shares;
- (g) reduce its share capital, any uncalled liability in respect thereof, or any capital redemption reserve fund revaluation reserve, share premium account or other capital reserve, in any case where such redemption involves a repayment to shareholders or the cancellation of any unpaid liability;
- (h) increase the issued share capital of the Company whether by way of capitalisation of profits or reserves or otherwise;
- (i) propose any amendment to these Articles;
- (j) sell or dispose (either directly or indirectly) of the undertaking or business of the Company or any substantial part thereof

- (k) register any Transfer (not being a Permitted Transfer) if as a result any person would be the registered holder of more than 24.9% of the issued share capital of the Company

ALLOTMENTS

4. Subject to the provisions of Article 3.2(h), the Directors have authority to allot, grant options over, or otherwise dispose of Shares or rights to subscribe for, or to convert any security into shares other than shares so allotted to such persons (including any Director) and on such terms as they think fit, provided that no shares shall be issued at a discount. Such authority shall remain in force for a period of 5 years from the date of adoption of these Articles or as directed by the Company in General Meeting pursuant to Section 80 of the Act. The maximum amount of the relevant securities (as defined in Section 80(2) of the Act) that may be allotted by the Directors pursuant to this authority shall be the amount of the unissued nominal share capital of the Company for the time being.

- 5.1 Subject to any direction to the contrary which may be given by special resolution of the Company all new or unissued shares of whatever kind shall before being issued be offered (when the Directors determine to issue the same) to the holders for the time being of the Shares as if the same constituted one class in proportion to the nominal value of the existing shares held by them. Such offer shall be made by written notice from the Directors specifying the number and price of shares to which the member is entitled and limiting a time (being not less than 30 days from the date of such notice) within which the offer if not accepted will be deemed to be declined; and after the expiration of such time or on the receipt of a written intimation from the member to whom such notice is given that he declines to accept the shares so offered (or agrees to accept part only of the shares so offered) the Directors may offer the shares not so taken up to the other members on the same terms as before. If any such shares are not taken up after each member has taken as many of such shares as he requires, the Directors may dispose of the same in such manner to such persons (including any Director) as they may think most beneficial to the Company

on terms as to price and subscription no more favourable to the offeree than those terms on which such shares were offered to members of the Company.

- 5.2 If, owing to any inequality in the number of new shares to be issued and the number of Shares held by holders entitled to receive such offer of any new shares, any difficulty arises in the apportionment of any such new shares amongst the holders such difficulty shall be determined by the Company by special resolution.

LIENS

6. The lien conferred by Regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.
7. 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 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

- 8.1 In this Article 8 the expression "Sale Price" shall mean either :-

- (a) if the proposing transferor shall have received an offer for his Shares, a price per Share at least equal to that offered or paid or payable by the proposing transferee for such Shares plus an amount equal to the relevant proportion of any consideration in cash or otherwise received or receivable by the proposing transferor which having regard to the substance of the transaction as a whole is reasonably be regarded by the Director as an addition to the price paid or payable for such Shares;

- (b) in the absence of an offer for such Shares an amount which in the opinion of the auditors for the time being of the Company represents the fair value of such shares as certified by them annually at the same time as the annual accounts of the Company are audited by them such value being on the basis of a sale between a willing buyer and a willing seller on an arm's length basis disregarding the fraction of Shares being offered for sale.

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.

- 8.2. Notwithstanding any other provision of these Articles no sale or Transfer of any Shares (other than a Permitted Transfer) which would result if made and registered in a person obtaining an interest (within the meaning of section 203 of the Companies Act 1985) in Shares controlling in aggregate 30% or more of the total voting rights conferred by all the Shares for the time being in issue, shall be made or registered without the previous written consent of a majority in number of members unless before the Transfer is lodged for registration the proposed transferee or his nominee has offered to purchase all Shares at the Sale Price.

- 8.3 The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any Transfer if it is a Transfer of a share on which the Company has a lien. The Directors may also refuse to register a Transfer (including for the purpose of this Article a Permitted Transfer) unless:—

- 8.8.1 it is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certified 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

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

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

ALTERATION OF CAPITAL AND VARIATION OF RIGHTS

9. Without prejudice to Article 3.2 the Company may by special resolution:–

9.1 increase the share capital by the creation of new shares of such amount as the resolution prescribes;

9.2 consolidate and divide all or any of its shares into shares of larger amount;

9.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have preference or advantage as compared with the others; and

9.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

10. If at any time the share capital is divided into separate classes of shares, the rights attached to any class may, whether or not the Company is being wound up be varied with the consent in writing of the holders of three-fourths 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 the class.

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share

or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. Regulation 5 of Table 4 shall not apply to the Company.

12. 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 Auditors for the time being of the Company.

PROCEEDINGS AT GENERAL MEETINGS

13. No business shall be transacted at any general meeting unless a quorum is present. Three members present in person or by proxy or, in the case of a member being a corporation or association by representative (or by proxy) one of whom shall be a holder of Heritage Shares shall be a quorum for all purposes. 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 the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such day and at such time and place, as the Directors may determine being not less than seven days from the date of the meeting but business may only be transacted at such adjourned meeting if the requirements of Regulation 21 are met. Regulation 41 of Table A shall not apply to the Company.
15. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in like form each executed by or on behalf of one or more of the members. If the resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly.

VOTES OF MEMBERS

16. On a show of hands every member present in person or by proxy (or in the case of a corporation, by representative) shall have one vote and on a poll every member shall have one vote in respect of every Share of which he is the holder provided that no Ordinary Share shall confer any right to vote either on a show of hands or on a poll upon a Resolution for the appointment or removal from office of a Special Director.
17. A member who is a patient for the purposes of the Mental Health Act 1983, or in respect of whom an order has been made by any competent court by reason of mental disorder may vote, whether on a show of hands or on a poll, by his receiver or other person authorised in that behalf by that court who may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
18. On a poll votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way and Regulation 59 of Table A shall be subject to the provisions of this Article.
19. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.

CORPORATIONS OR ASSOCIATIONS ACTING BY REPRESENTATIVES

20. Any corporation or association which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation or association which he represents as that corporation or association could exercise if it were an individual member of the Company.

APPOINTMENT OF DIRECTORS

21. Unless and until otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be at least two and shall be not more than ten (but subject to the provisions of Articles 22.4 and 23.4). Regulation 64 of Table A shall not apply to the Company.
- 22.1 The Appointors shall each have the right to appoint one director of the Company by notice in writing to the Company signed by the relevant Appointor to be approved by the Directors such approval not to be unreasonably withheld.
- 22.2 Any director so appointed may at any time be removed from office by the relevant Appointor by notice in writing to the Company signed by the holder and if any director so appointed shall die or be removed from or vacate office from any cause such Appointor may appoint in his place another person.
- 22.3 If any Appointor having appointed a director pursuant to this Article ceases to hold at least 500,000 Ordinary Shares the right to appoint hereunder shall be deemed to have lapsed and the director so appointed shall be deemed to be removed from office with immediate effect.
- 22.4 If as a result of the right to appoint contained in Article 22.1 being exercised, the maximum number of Directors stated in Article 21 would (but for this Article) be

exceeded, the maximum number as so stated shall be deemed increased so as to allow such appointment to be made PROVIDED THAT nothing in this Article 22.4 shall permit any increase in the number of Directors beyond that stated in Article 21 or as determined by ordinary resolution for any reason other than as permitted by Articles 22.1 and 23.1

- 23.1 The holders of a majority of the Heritage Shares shall have the right to appoint two directors of the Company Any directors so appointed may at any time be removed from office by the holders of a majority of the Heritage Shares If any director so appointed shall die or be removed from or vacate office from any cause the holders of a majority of the Heritage Shares may appoint in his place another person.
- 23.2 The right to appoint such director shall be a class right attaining to the Heritage Shares. No such director shall be appointed or removed otherwise than pursuant to this Article save as provided by Article 37.
- 23.3 Any appointments or removals shall be effected by notice in writing to the Company signed by those entitled to appoint. Any such appointments or removals shall take effect when the notice of the same is delivered to the Office.
- 23.4 If as a result of the right to appoint contained in Article 23.1 being exercised, the maximum number of Directors stated in Article 21 would (but for this Article) be exceeded, the maximum number as so stated shall be deemed increased so as to allow such appointments to be made PROVIDED THAT nothing in this Article 23.4 shall permit any increase in the number of Directors beyond that stated in Article 21 or as determined by ordinary resolution for any reason other than as permitted by Articles 22.1 or 23.1
24. The Chairman of the Company shall be appointed by the Directors and in case of equality of votes shall have a second or casting vote.

25. A shareholding qualification shall not be required of a Director.
26. No person shall be appointed a director at any General Meeting unless either:—
- 26.1.1 he is recommended by the Directors; or
- 26.1.2 not less than fourteen nor more than thirty five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.
27. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with Article 21 as the maximum number of Directors and for the time being in force.

ALTERNATE DIRECTORS

28. Any Director (other than an alternate director) may at any time appoint any person to be an alternate director and may at any time remove from office an alternate director so appointed by him. An alternate director shall be entitled to receive notices of all meetings of the Directors, 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 as a Director in his absence. An alternate director so appointed shall not except by virtue of any agreement with the Director whom he represents, be entitled to receive any remuneration from the Company, but shall otherwise be subject to the provisions of these Articles with regard to Directors. When acting also as a Director or as an alternate director for more than one Director, an alternate director shall have one vote for every Director he represents, in addition to his own if himself a Director and when so acting where the quorum exceeds two, shall be considered as two Directors for the purpose of making a quorum. Every

appointment and removal of an alternate director shall be in writing executed by the Director making or revoking the appointment and (in the case of an appointment) by the person appointed and shall be deposited at the office.

29. Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes 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.

POWERS OF DIRECTORS

30. Subject to the provisions of the Act and the Articles and to any directions given by special resolution, the Directors may exercise all the powers of the Company including all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and subject to the Act to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. No alteration of the Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made and that direction had not been given.

PROCEEDINGS OF DIRECTORS

- 31.1 The quorum necessary for a meeting of the Directors shall throughout the meeting be at two of which at least one shall be a Special Director appointed by the holders of Heritage Shares, unless the holders of a majority of the Heritage Shares otherwise consent in writing.
- 31.2 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference, telephone or similar communications equipment whereby all participating in the meeting can hear each other and participation in such a meeting in this manner shall be deemed to constitute presence in person at such meeting.

- 31.3 If such a quorum is not present within one hour from the time appointed for the meeting or if during a meeting such a quorum ceases to be present the meeting shall stand adjourned to the same day in the next week but one at the same time and place
- 31.4 If at any such adjourned meeting a quorum is not present within one hour from the time appointed for the meeting those Directors present shall constitute a quorum
- 32.1 Subject to the provisions of the Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. Five clear days prior notice of every meeting of the Directors shall be given to each Director of the Company or his alternate director, including Directors and alternate directors who may for the time being have given addresses or be resident outside the United Kingdom.
- 32.2 Questions arising at any meeting of the Directors or of any committee shall be decided by a majority of votes of the Directors
33. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but if the number of Directors is less than the number fixed as the quorum, he or they may act only for the purpose of filling vacancies or of calling a general meeting.
34. All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

35. A resolution in writing executed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

DELEGATION OF DIRECTORS' POWERS

- 36.1 The Directors may delegate any of their powers:–

- 36.1.1 to any chief executive or any Director holding any other executive office; or
- 36.1.2 to any committee consisting of two or more Directors including one Special Director appointed by the holders of a majority of the Heritage Shares. The quorum for a meeting of any such committee shall throughout the meeting be at least two including one Special Director appointed by the holders of a majority of Heritage Shares unless the holders of a majority of the Heritage Shares otherwise consent in writing.
- 36.2 Subject to the foregoing the delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Directors so far as they apply.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

37. Subject to any claim arising under any contract between him and the Company and to the provisions of Section 319 of the Act, in addition to the circumstances set out in Regulation 81 of Table A the office of a Director shall be vacated if:–

- 37.1 he becomes prohibited from being a Director by reason of any order made under the Insolvency Act 1986; or
- 37.2 he becomes incapable by reason of illness or injury of managing and administering his property and affairs;
- 37.3 he gives notice to the Company that he resigns his office of Director.
38. No Director shall vacate his office or be ineligible for re-election, nor shall any person be ineligible for appointment as a Director, by reason only of his attaining or having attained any particular age.
39. The Directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.

REMUNERATION OF DIRECTORS

40. Regulation 82 in Table A shall not apply to the Company.

DIRECTORS' EXPENSES

41. The Directors shall be entitled to be paid all reasonable travelling, hotel, and other expenses properly incurred by them within the United Kingdom in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS INTERESTS

- 42.1 A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it 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 such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

- 42.2 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

DIRECTORS' GRATUITIES AND PENSIONS

43. The Company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any Director who has held any executive office or employment with the Company or with any body corporate which is, or has been, a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such persons. Regulation 87 of Table A shall not apply to the Company.