

A

ARTICLES OF ASSOCIATION
(adopted on 4 July 2007)

of

HCP HOLDINGS LIMITED
Incorporated on 7th June 1996
Registered number 3209169



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PART A

1. Interpretation

1 1 The regulations in Table A as for the time being and from time to time prescribed by regulations made by the Secretary of State under the Act (as hereafter defined) shall not apply to the Company

1 2 In these Articles

1 2 1 headings are used for convenience only and shall not affect the construction hereof,

1 2 2 unless the context otherwise requires or does not so admit or, save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification or re-enactment thereof not in force on the date on which these Articles become binding on the Company),

1 2 3 the following words and expressions shall have the following meanings

“acquire” shall have the meaning ascribed thereto at article 8 1

the “Act” means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force

“Adoption Date” means the date of adoption of these Articles

“Approved Transferees” shall have the meaning ascribed thereto at article 6 13

“Associate” means

- (a) the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of the relevant person,
- (b) the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person his spouse or children is or is capable of being a beneficiary,
- (c) any nominee or bare trustee for the relevant person or for any other Associate of the relevant person,
- (d) if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company,

- (e) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of section 839 Income and Corporation Taxes Act 1988, and
- (f) any person with whom any relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Take-overs and Mergers as for the relevant time being current),

“these Articles” means these articles of association as amended from time to time

“Bad Leaver” means a Leaver whose contract of employment or appointment to office ceases or is terminated because the Leaver

- (a) commits any serious or persistent breach of his obligations under the employment contract or terms of appointment,
- (b) is guilty of conduct or of permitting or suffering events tending in the reasonable opinion of the board of directors to bring himself, the Company or a Group Company into disrepute,
- (c) resigns in circumstance in which the Leaver ceases to be employed as a result of the Leaver accepting employment by a party which the Board with the consent of the Investor Director(s) reasonably considers is competitor of a Group Company,
- (d) is convicted of a criminal offence (excluding an offence under road traffic legislation in respect of which he is not sentenced to a term of imprisonment, whether immediate or suspended),
- (e) is the subject of bankruptcy proceedings, claims the benefit of any legislation for the time being in force for the relief of insolvent debtors or proposes or makes any arrangement or composition with his creditors,
- (f) becomes disqualified from being a director of a company or is the subject of censure by any regulatory authority

“Buyer” shall have the meaning ascribed thereto at article 8 1

“Canadian Profits” means the amount of any distribution received by the Company from Health Care Projects (Canada) Ltd

“Clear Days” means in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

“Controlling Interest” has the meaning ascribed thereto in article 8 1

“Conversion Date” has the meaning given to it in Article 3 1 4(a)

“Custodians” shall have the meaning ascribed thereto at article 7 4

the **“date of such cessation”** shall have the meaning ascribed thereto at article 7 3

“Deferred Shares” has the meaning given to it in Article 3 1 4(a)

the **“Directors”** means the directors for the time being of the Company

“Disenfranchisement Notice” shall have the meaning ascribed thereto at article 7 6

“Expert” shall have the meaning ascribed thereto at article 6 8

“Fair Leaver” means a Leaver whose contract of employment or appointment to office ceases or is terminated in circumstances other than those set out at paragraphs (a) to (e) of the definition of “Good Leaver” or paragraphs (a) to (f) of the definition of “Bad Leaver”, including (without limitation)

- (a) resignation in circumstances in which the Leaver ceases to be employed as a result of the Leaver accepting employment by a party which the Board with the consent of the Investor Director(s) reasonably considers is not a competitor of a Group Company,
- (b) retirement of the Leaver in circumstance other than those set out in paragraph (c) and (e) of the definition of “Good Leaver” (unless and to the extent that the Directors agree otherwise at the relevant time with the consent of the Investor Director(s))

“First Cessation Date” shall have the meaning ascribed thereto at article 7 3 3

“Good Leaver” means a Leaver whose contract of employment or appointment to office ceases or is terminated by reason of one or more of the following factors

- (a) redundancy,
- (b) death of the Leaver (in which event the Sale Price shall be paid to the Leaver’s executor on transfer of the Sale Shares for distribution, as appropriate, to the beneficiaries of that Leaver’s estate),
- (c) retirement of the Leaver at the age of 60 (or such other age as the Company may deem appropriate),
- (d) permanent incapacity of the Leaver due to ill health, whether mental or physical, of the Leaver (as certified to the satisfaction of the Company by a medical practitioner), save where such ill health arises as a result of an abuse of drink or drugs,
- (e) retirement of the Leaver from full time employment due to the serious ill health or disablement of the Leaver’s spouse or any dependent child

“Group Company” means the Company and any other company (or other entity) which is for the time being a subsidiary undertaking of the Company (and **“Group”** shall be construed accordingly)

“holder” means in relation to Shares the person whose name is entered in the register of members as the holder of those shares

“Innisfree Group” means in relation to Innisfree M&G from time to time

- (a) Innisfree Limited and any company which is its subsidiary, any holding company of Innisfree Limited (whether direct or indirect) and any subsidiary of any such holding company, and/or
- (b) any unit trust, investment fund, partnership, other fund or other entity of which any entity referred to in sub paragraph (a) of this definition is either the general partner, trustee, fund advisor or the manager (either directly or indirectly) and including specifically, without limitation, Innisfree M&G, and/or
- (c) any nominee or trustee of any entity falling within sub paragraph (a) or (b) of this definition acting in such capacity (whether on a change of nominee or trustee or otherwise), and/or
- (d) partners, limited partners, members or investors in any unit trust, investment fund, partnership or other fund referred to in this definition, but only to the extent that such persons become so as a result of a transfer in specie to them which is a distribution on a winding up out of the assets of the trust, fund or partnership in question, and/or
- (e) any entity which holds shares for groups of employees or former employees of any entity referred to in sub paragraph (a) of this definition

“Innisfree Limited” means the company incorporated in England and Wales (registered number 3039792), whose registered office address is at 21 Whitefriars Street, London EC4Y 8JJ

“Innisfree M&G” means Innisfree M&G PPP LP, an English limited partnership (Registered No 008033), whose registered office is at 7th floor, Abacus House, 33 Gutter Lane, London EC2V 8AS

“Insolvency Event” means in respect of a company any of the following events

- (a) it is unable or admits inability to pay its debts as they fall due,
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to
 - (i) the bankruptcy, liquidation, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of it other than a solvent liquidation or reorganisation, or
 - (ii) the appointment of a trustee, custodian, liquidator (other than in respect of a solvent liquidation of a member of the Group which is not a Borrower), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it,

or any analogous procedure or step is taken in any jurisdiction which is not dismissed or stayed within the relevant period of time for the dismissal or staying of the claim at first instance level in the relevant jurisdiction

“Investor Director” means a director of the Company appointed pursuant to article 3 5 1

“Leaver” shall have the meaning ascribed to it in article 7 3 1

“Majority Approval” means the prior consent or approval in writing of the holders of more than one half of the total number of Ordinary Shares for the relevant time being in issue

“Mandatory Transfer Notice” shall have the meaning ascribed thereto at article 6 4

“Member” means any holder for the time being of shares in the capital of the Company of whatever class

“M&G Group” means in relation to Innisfree M&G from time to time

- (a) M&G Investment Management Limited and any company which is a subsidiary, any holding company of M&G Investment Management Limited (whether direct or indirect) and any subsidiary of any such holding company, and/or
- (b) an unit trust, investment fund, partnership, other fund or other entity of which any entity referred to in sub paragraph (a) of this definition is either the general partner, trustee, fund advisor or the manager (either directly or indirectly) and including specifically, without limitation, Innisfree M&G, and/or
- (c) any nominee or trustee of any entity falling within sub paragraph (a) or (b) of this definition acting in such capacity (whether on a change of nominee or trustee or otherwise), and/or
- (d) partners, limited partners, members or investors in any unit trust, investment fund, partnership or other fund referred to in this definition, but only to the extent that such persons become so as a result of a transfer in specie to them which is a distribution on a winding up out of the assets of the trust, fund or partnership in question, and/or
- (e) any entity which holds shares for groups of employees or former employees of any entity referred to in sub paragraph (a) of this definition

“M&G Investment Management Limited” means a company incorporated in England and Wales (registered number 936683), whose registered office address is at Laurence Pountney Hill, London EC4R 0HH

“Offer” shall have the meaning ascribed thereto at article 8 3

the **“Office”** means the registered office of the Company for the time being

“Option” shall have the meaning ascribed thereto at article 8 3

“Option Period” shall have the meaning ascribed thereto at article 8 3

“Ordinary Shares” means Ordinary Shares of 20 pence each in the capital of the Company having rights as set out in these Articles

“Participating Dividend” has the meaning given to it in article 3 1 1(a)

“Permitted Transfer” shall have the meaning ascribed thereto at article 4 3 1

“Preferred Shares” means redeemable preference shares of £1 each in the capital of the Company having the rights set out in these Articles

“Prescribed Period” shall have the meaning ascribed to it in article 6 11

“Prescribed Price” shall have the meaning ascribed thereto at article 8 1

“Priority Notice” shall have the meaning ascribed thereto at article 7 4

“Proposing Transferee” shall have the meaning ascribed thereto at article 6 5

“Required Shareholding” shall have the meaning ascribed thereto at article 3 5 1

“Retention” shall have the meaning ascribed thereto at article 7 3 4

“Rolled-up Dividend” has the meaning given to it in article 3 1 1(a)(ii),

“Sale Price” means the value for the sale shares agreed pursuant to article 6 7 or determined in accordance with article 6 8

“Sale Shares” shall have the meaning ascribed thereto at article 6 3

“Second Cessation Date” shall have the meaning ascribed thereto at article 7 3 3

“Secretary” means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

“Shares” means (unless the context does not so admit) shares in the capital of the Company (of whatever class)

“Take-over” means the acquisition by a Buyer (as defined in article 8 1) of a Controlling Interest or the sale or other disposal of the whole or substantially the whole of the undertaking of the Company or any other Group Company (other than to a Group Company which is the Company or a wholly-owned subsidiary of the Company)

“Total Transfer Condition” shall have the meaning ascribed thereto at article 6 4

“Transfer Notice” shall have the meaning ascribed thereto at article 6 2

“Transferor” shall have the meaning ascribed thereto at article 6 2

the **“United Kingdom”** means Great Britain and Northern Ireland

- 1 3 In the event of any conflict or inconsistency between any provision in part A of these Articles and any provision in part B of these Articles, the provision contained in part A shall prevail and the provisions in part B shall take effect subject to the provisions in part A

2. Share capital

The authorised share capital of the Company at the date of adoption of these Articles is £1,147,500 divided into 2,800,000 Ordinary Shares and 587,500 Preferred Shares

3. Share rights

The rights attaching to the Shares shall be as follows

3.1 Preferred Shares

3.1.1 As regards income

- (a) The holders of the Preferred Shares shall be entitled to
 - (i) a cumulative cash dividend (the **"Participating Dividend"**) of a sum per annum (exclusive of the associated tax credit) equal to 5 per cent (5%) of the subscription price (inclusive of any premium) of the Preferred Shares, in respect of the period from the date of issue of the Preferred Shares up to (and inclusive of) 30 June 2012, and thereafter at the rate of 8.5 per cent (8.5%) per annum, and
 - (ii) a non-cumulative, rolled up dividend (the **"Rolled up Dividend"**) of a sum per annum (exclusive of the associated tax credit) equal to 3.5 per cent (3.5%) of the subscription price (inclusive of any premium) of the Preferred Shares, in respect of the period from the date of issue of the Preferred Shares up to (and inclusive of) 30 June 2012
- (b) The Participating Dividend shall begin to accrue from the date of issue of the Preferred Shares, shall be deemed to accrue from day to day throughout each financial year, and shall become payable and paid not more than 4 months after the end of the financial year to which it relates or not more than 14 days after the annual general meeting at which the accounts of Company for such financial year are laid before the members of the Company, whichever is the earlier
- (c) The Participating Dividend shall be paid solely out of the Canadian Profits, and to the extent that the Canadian Profits are insufficient in any financial year to pay the full amount of the Participating Dividend, the Company shall pay such amount of the Participating Dividend as it is legally able to do so out of the Canadian Profits. If the Company is not lawfully able to pay the Participating Dividend in full on its due date for payment then it shall on such date pay the same out of the Canadian Profits to the extent that it is then lawfully able so to do and, without prejudice to the respective rights of the holders of the relevant Preferred Shares, any amount not so paid shall be paid as soon thereafter as the Company is lawfully able to pay the same out of the Canadian Profits
- (d) The Rolled-up Dividend shall begin to accrue from the date of issue of the Preferred Shares, shall be deemed to accrue from day to day throughout each financial year, and on the earlier of
 - (i) 30 June 2012, and

- (u) the date on which the Company has sufficient distributable reserves to permit the full amount of the Rolled-up Dividend earned up to and including 30 June 2012 to be declared,

shall be capitalised and applied by the holders of the Preferred Shares in subscribing for further Preferred Shares, at a subscription price of £1 per Preferred Share

- (e) If the Company has insufficient distributable reserves to permit the full amount of the Rolled-up Dividend earned up to and including 30 June 2012 to be declared on 30 June 2012, the Company shall not, save with Majority Approval, distribute any profits in respect of any financial year until the full amount of the Rolled-up Dividend earned up to and including 30 June 2012 has been declared
- (f) The Company shall procure (insofar that it is legally able to do so) that the profits of Health Care Projects (Canada) Ltd for the time being available for distribution shall be paid to it by way of distribution

3 1 2 As regards capital

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall first be applied in paying to the holders of the Preferred Shares an amount equal to the subscription price (inclusive of any premium) paid for such Shares together with a sum equal to all arrears and/or accruals of the Participating Dividends thereon and (to the extent that the Rolled-up Dividend has at such time not been capitalised) together with a sum equal to all arrears of the Rolled-up Dividends thereon, to be calculated down the payment date (and to be payable irrespective of whether or not such dividend has been earned)

3 1 3 As regards redemption

The Preferred Shares shall, subject to the right of conversion set out in article 3 1 4 and the Act, be redeemed on and subject to the following terms and conditions

- (a) The Company shall have the right at any time and from time to time to redeem all such other number, being not less £20,000 or a multiple thereof, of the Preferred Shares then in issue as it may, by not less than 30 days' previous written notice to the holders of the Preferred Shares, specify and any such notice (a "**redemption notice**") shall also specify the date fixed for redemption
- (b) The Company shall redeem the Preferred Shares by ten consecutive equal instalments of 58,750 Preferred Shares, each such redemption to be made on 30 June and 31 December in each year commencing on 30 June 2017 provided that if the Company shall have redeemed any Preferred Shares pursuant to paragraph (b) then the number of Preferred Shares falling to be redeemed on each of the remaining fixed dates for redemption referred to in this paragraph shall be reduced pro rata by reference to the number of Preferred Shares redeemed pursuant to

paragraph (b) above The Company shall, not later than 30 days prior to each such redemption date, give a redemption notice in relation to each redemption of Preferred Shares to be made pursuant to this paragraph

- (c) Subject to the provisions of the Act, upon each date upon which all or any of the Preferred Shares become due for redemption pursuant to the foregoing provisions of this article, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the register of members in respect of such Shares) of each Preferred Share then due to be redeemed an amount of £1 per Preference Share together with a sum equal to all arrears and accruals of Participating Dividend on such Share (whether earned or not) calculated up to and including the actual date of redemption and (to the extent that the Rolled-up Dividend has at such time not been capitalised) together with a sum equal to all arrears of the Rolled-up Dividends thereon
- (d) On each redemption, each registered holder of Preferred Shares to be redeemed shall deliver to the Company at its registered office the share certificates for such Preferred Shares and thereupon the Company shall pay to such holder the amount due to it in respect of such redemption
- (e) As a further condition to the redemption, in the event that there are insufficient distributable reserves to allow the redemption of each Preferred Share then due for redemption, the available distributable reserves shall be applied pro rata to the number of the Preferred Shares held by each holder thereof
- (f) The receipt of the registered holder (or, in the case of joint holders, the holder whose name stands first in the register of members) for the time being of any Preferred Shares being redeemed for the monies payable on redemption of such Shares shall constitute an absolute discharge to the Company in respect thereof

3 1 4 As regards conversion

- (a) Immediately upon the occurrence of an Insolvency Event in relation to Health Care Projects (Canada) Ltd (the “**Conversion Date**”), the Company shall effect conversion of all of the Preferred Shares then unredeemed and outstanding by converting each Preferred Share so held at the Conversion Date into one non-voting deferred share with a nominal value of £1 (“**Deferred Shares**”)
- (b) The Deferred Shares arising of a result of such conversion shall be immediately repurchased by the Company (in accordance with the provisions of the Act) for not more than an aggregate amount of 1 pence, without any requirement to obtain the consent or sanction of the holders and, for the purposes of such purchase, such conversion shall be deemed to confirm irrevocable authority on the Company to appoint any person to execute (on behalf of the holders of the Deferred Shares) a contract for the sale to the Company of any Deferred Shares held by such holders

- (c) Upon the Conversion Date each holder of Preferred Shares shall deliver to the Company at its registered office the certificates for its Preferred Shares

3 1 5 As regards voting

The holders of the Preferred Shares shall be entitled to receive notice of, and to attend at, general meetings of the Company but shall not in respect of their holdings of such Shares be entitled to vote upon any resolution

3 2 Ordinary Shares

3 2 1 As regards income

The Company shall not, save with Majority Approval, distribute any profits in respect of any financial year Subject thereto, after making all necessary provisions for redemption of the Preference Shares, after the payment of the Participating Dividend on the Preferred Shares and after making all necessary provisions for the declaration of the Rolled-up Dividend, any profits which the Company may determine to distribute shall be applied amongst the holders of the Ordinary Shares (pro rata)

3 2 2 As regards capital

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities and the payment of any amounts owing on the Preferred Shares shall be applied amongst the holders of the Ordinary Shares (pro rata)

3 2 3 As regards voting

Ordinary Shares shall confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak and vote at all general meetings of the Company

3 2 4 As regards class consents

Except with Majority Approval

- (a) no Group Company shall modify or vary the rights attaching to any class of its shares,
- (b) no Group Company shall vary or permit any variation in its authorised or issued share capital or grant any option or other rights to subscribe for shares or securities convertible into shares in its capital,
- (c) no Group Company shall pass any resolution for reducing its issued share capital or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or for reducing any uncalled liability in respect of partly paid shares,
- (d) no Group Company shall purchase or redeem any shares except in accordance with articles 3 1 3 and 3 1 4,

- (e) no Group Company shall transfer any profits to reserves or otherwise take any action (excluding any payment of dividends to the Company or as required under article 3 1) which will or may reduce the amount of its profits available for distribution,
- (f) no Group Company shall capitalise any profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve, except in accordance with articles 3 1 1(d),
- (g) no Group Company shall dispose of all or any part of, or any interest in, the shares or securities convertible into shares or any right to acquire shares or securities so convertible of any other Group Company,
- (h) no Group Company shall dispose of the whole or a substantial part of its business, undertaking or assets or make any material change in the nature of its business,
- (i) no Group Company shall alter its memorandum or articles of association,
- (j) the Company shall not exempt any Share from the provisions of article 11 1,
- (k) no resolution for the winding-up of a Group Company shall be passed,
- (l) no Group Company shall suspend or relax any provision of its articles of association which prohibit a director from voting at a meeting of directors or of a committee of directors in certain circumstances,
- (m) no Group Company shall appoint any auditors (other than the reappointment of an existing auditor),
- (n) no Group Company shall alter its accounting reference date,
- (o) no Group Company shall incorporate a new subsidiary or acquire any interest in any shares in any company

3 2 5 As regards appointment of directors

- (a) The holder(s) of not less than one half of the Ordinary Shares in issue for the time being (the **"Required Shareholding"**) shall be entitled from time to time to appoint up to two persons as directors of the Company and to remove any such persons from office
- (b) Any person or persons for the time being the holder(s) of the Required Shareholding may from time to time (for so long as he or they remain so entitled) remove any or all of the Directors and/or appoint any person or persons as a Director or Directors of the Company
- (c) Any such appointment or removal as is referred to in article 3 2 5(a) or 3 2 5(b) shall be made by notice in writing to the Company signed, in the case of an appointment or removal made pursuant to article 3 2 5(a) or

3 2 5(b) , by or on behalf of the holder(s) of the Required Shareholding and served upon the Company at the Office

- (d) Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director pursuant to article 3 2 5(a) may appoint such person as he thinks fit to be his alternate director

3 2 6 As regards quorums

- (a) Save with Majority Approval, no meeting of Members shall be quorate unless those Members present include (whether in person or by a duly authorised representative or a proxy) the holders of not less than 50 per cent of the Ordinary Shares for the time being in issue
- (b) Save with the approval of an Investor Director, no meeting of the Directors held at any time when an Investor Director is in office shall be quorate unless those Directors present include at least one Investor Director (if such a director then holds office) (or a duly appointed alternate director of an Investor Director)

4. Share transfers: general

4 1 The instrument of transfer of a Share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor (but shall not require to be executed by or on behalf of the transferee unless any Share to which it relates is not fully paid) The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect thereof

4 2 The Directors may refuse to register the transfer of any Share

4 2 1 being a Share which is not fully paid, to a person of whom they do not approve,

4 2 2 on which the Company has a lien,

4 2 3 unless

- (a) it is lodged at the Office or at such other place in England as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- (b) it is in respect of only one class of Shares, and
- (c) it is in favour of not more than four transferees,

4 2 4 if they have reasonable grounds for believing that such Share will or may be transferred to or become beneficially owned by a person carrying on business in competition with any business for the relevant time being carried on by a Group Company,

4 2 5 to a person who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe

does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval

4 3 The Directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer is either

4 3 1 a transfer permitted under article 5 (a “**Permitted Transfer**”), or

4 3 2 a transfer made in accordance with and permitted under article 6

4 4 If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) then the Directors shall, if the holder(s) of the Required Shareholding so requires

4 4 1 require the transferee of such Share to enter into a written undertaking (in such form as the Directors may with the consent of the Investor Director(s) prescribe) to be bound (to such extent as the Directors with the consent of the Investor Director(s) may reasonably stipulate) by the provisions of such agreement, and

4 4 2 decline to register the transfer of such Share unless and until the transferee has entered into such written undertaking

5. **Permitted share transfers**

5 1 Subject to article 4 and article 5 3, a Member shall be permitted to transfer the legal title to and/or beneficial ownership of a Share

5 1 1 if the Member is a company, to any holding or subsidiary company of that Member or to any other subsidiary company of any such Member's holding company, or

5 1 2 to a person who is the beneficial owner of such Share or (in the case of the legal title only) to a different or additional nominee or trustee on behalf of such beneficial owner provided that such person has not become the beneficial owner thereof other than in accordance with the provisions of these Articles, or

5 1 3 if the Member is an individual, to an Associate (within the meaning of paragraphs (a) and (b) of the definition of “**Associate**”) of such Member, or

5 1 4 to a Buyer pursuant to the provisions of article 8 (including, without limitation, article 8 5) provided that prior to or contemporaneously with such transfer the Buyer has duly acquired or will duly acquire a Controlling Interest,

5 1 5 where a Priority Notice (as defined in article 7 4) has been given, to any prospective transferees specified in such notice and, in case where Shares have been transferred to Custodians (as also referred to in article 7 4), to any subsequent transfer by them of all or any such shares made in accordance with article 7 4 3,

5 1 6 with the prior written consent the holders of not less than 60 per cent (by number) of the aggregate number of Ordinary Shares for the relevant time being in issue

5 2 Subject to article 4 and in addition to the provisions of article 5 1, Innisfree M&G shall be permitted to transfer the legal title to and/or beneficial ownership of a Share

5 2 1 to any other member of the Innisfree Group or the M&G Group, or

5 2 2 to any UK institution

5 3 Save with such consent as is referred to in article 5 1 6, no Member may transfer or otherwise dispose of any Share or any interest therein at a time when the same is the subject of a Transfer Notice or a Mandatory Transfer Notice

6. Share transfers : pre-emption provisions

6 1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a Share or any interest or right in or arising from a Share (an option or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions contained in these Articles and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void

6 2 Before transferring or otherwise disposing of any Share or any interest or right in or arising from any Share the person proposing to transfer or otherwise dispose of the same (the **"Transferor"**) shall give notice in writing (a **"Transfer Notice"**) to the Company specifying the Shares, interest and/or rights of which the Transferor wishes to dispose The Transferor shall, contemporaneously with the giving of a Transfer Notice, deliver up and lodge with the Company the share certificate(s) in respect of the relevant shares

6 3 Notwithstanding that a Transfer Notice specifies that the Transferor wishes to dispose only of an interest or right in or arising from or attaching to, the Shares referred to therein, the Transfer Notice shall (notwithstanding anything in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Transferor in relation to the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the **"Sale Shares"**) at the Sale Price as hereinafter referred to in accordance with the provisions of this article A Transfer Notice shall not be revocable except with the consent of the Directors

6 4 Except in the case of a Transfer Notice which a Member is bound to give or is deemed to have given pursuant to article 7 (a **"Mandatory Transfer Notice"**), a Transfer Notice may include a condition (a **"Total Transfer Condition"**) that if all the Sale Shares (of whatever class) are not sold to Approved Transferees (as hereinafter defined), then none shall be so sold

6 5 Except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares

6 5 1 the name or names of a person or persons (such person or persons being hereinafter referred to as the **"Proposing Transferee"**) to whom the Sale Shares (or an interest or right in or arising therefrom) are proposed to be transferred in the event that the Sale Shares are not acquired by Approved Transferees, and

6 5 2 the entire consideration per share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds

sterling an amount per share which is so expressed and which is commensurate with the entire consideration) In such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the consideration so stated is a bona fide consideration (and not inflated for particular reasons) agreed between the Transferor and the Proposing Transferee at arms' length and in good faith, such consideration shall be the Sale Price and the Prescribed Period (as hereinafter referred to) shall commence on the date on which the Transfer Notice is given and shall expire two months thereafter

- 6 6 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in article 6 5 relating to consideration or where the Directors are not satisfied that the consideration stated is a bona fide consideration within the terms of article 6 5 and subject always to the provisions of article 7 3, the Transferor and the Directors shall seek to agree a value for the Sale Shares
- 6 7 In the event of a failure by the Directors (with the consent of the Investor Director(s)) and the Transferor to agree the fair value of the Sale Shares within 30 days of the date of the Transfer Notice, the matter shall be forthwith be referred to the auditors of the Company or, in the event that either the Directors (with the consent of the Investor Director(s)) or the Transferor shall so require, the matter shall forthwith be referred to a leading firm of Chartered Accountants to be agreed between Innisfree M&G and the Transferor or, failing agreement within 7 days after such date, to be appointed on the application of either the Directors (with the consent of the Investor Director(s)) or the Transferor by the President for the time being of the Institute of Chartered Accountants in England and Wales, or by such other person as such President may nominate for the purposes of making such appointment
- 6 8 The firm of Chartered Accountants so appointed is herein referred to as **"the Expert"**, and the reference to the Expert shall be made on the basis that
- (a) it shall be requested to give its determination on the fair value of the Sale Shares as soon as practicable and in any event within 30 days of the date of such referral,
 - (b) its decision shall be given in writing,
 - (c) it shall consider only the determination of the value of the Sale Shares,
 - (d) the fair value of the Shares shall be the market value thereof or at the date on which the relevant Transfer Notice was given or deemed to have been given (as the case may be) on the basis of a sale at arm's length terms between a willing buyer and a willing seller,
 - (e) it shall act as an expert and not as an arbitrator,
 - (f) it shall be afforded reasonable access to the relevant accounting records and relevant personnel of the Company to enable it to reach its decision promptly and such other information and explanations as it may reasonably require in order to reach its decision,
 - (g) its decision on the matter in dispute shall (in the absence of manifest error) be final and binding on the parties, and

- (h) the costs of the Expert in relation to a reference shall as between Company and the Transferor be borne by the party against whom the dispute is determined (or, if the dispute is determined in part in favour of each of Company and the Transferor and in part against each of them, in such manner as the Expert shall specify or, in default of any such specification, equally between them)
- 6 9 Subject as provided in articles 6 10 and 7 4, Sale Shares shall be offered in writing by the Company to the holders for the time being of Ordinary Shares (where Ordinary Shares are the subject of the Transfer Notice) or Preferred Shares (where Preferred Shares are the subject of the Transfer Notice) (other than the Transferor or any Associate of the Transferor)
- 6 10 The Company shall not be required to, and shall not, offer any Sale Shares to the Proposing Transferor, any Associate of the Proposing Transferor or any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in article 6 9 is made. In addition, if during the period between the date on which any such offer is made and (following the acceptance of such offer by a Member) the sale of Sale Shares to such member is completed, such member is deemed to have given a Mandatory Transfer Notice then such member shall be deemed not to have accepted such offer and the relevant Sale Shares shall be re-offered for sale (at the same Sale Price per share and as if such price had been determined on the date on which the Mandatory Transfer Notice is deemed to have been given)
- 6 11 Any such offer as is required to be made by the Company pursuant to article 6 9 or article 7 4 shall be made as soon as practicable following the determination of the Sale Price for the relevant Sale Shares and shall limit a time (not being less than 14 days or more than 21 days) (the "**Prescribed Period**") after such offer is made within which it must be accepted or, in default will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in accordance with the provisions of article 6 9 and in proportion to the number of Shares of the relevant class held by each acceptor (or in the case of any such offer made to persons who are not already Members of the Company on such basis as the Directors shall determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this article 6 11 shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly
- 6 12 If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied. Subject thereto, any such offer as is required to be made by the Company pursuant to article 6 9 shall be unconditional
- 6 13 If, prior to the expiry of the Prescribed Period, the Company shall, pursuant to the foregoing provisions of this article 6 or the provisions of article 7 4, find Members or other persons ("**Approved Transferees**") to purchase some or (if article 6 12 shall apply) all the Sale Shares, it shall as soon as practicable after so doing give notice in writing thereof to the Transferor and the Approved Transferees. Every such notice shall state the name and address of each of the Approved Transferees and the number of the Sale Shares to be purchased by him and shall specify a place and time and date (not being less than three

days nor more than seven days after the date of such notice) at which the sale and purchase shall be completed. Upon the giving by the Company of any such notice as aforesaid the Transferor shall be unconditionally bound (subject only to due payment of the Sale Price) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms

- 6 14 If a Transferor shall (save only for reason that an Approved Transferee does not duly pay the Sale Price) fail duly to transfer (or complete the transfer of) any Sale Shares to an Approved Transferee, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Transferor and (notwithstanding (if such be the case) that the Transferor has failed to deliver up the relevant share certificate(s)) shall cause such Approved Transferee to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Approved Transferee (who shall not be bound to see to the application thereof) and after the Approved Transferee has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person
- 6 15 If the Company shall not, prior to the expiry of the Prescribed Period, find Approved Transferees willing to purchase some, or, if the relevant Transfer Notice validly contains a Total Transfer Condition, all, of the Sale Shares, it shall, as soon as practicable following such expiry, give notice in writing thereof to the Transferor and the Transferor, at any time thereafter up to the expiration of two months from the date of such notice, shall, (subject as hereinafter provided) be at liberty to transfer those of the Sale Shares not purchased by Approved Transferees or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice did not contain details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever to the purchaser thereof and if not so satisfied may refuse to register the instrument of transfer and/or serve a Disenfranchisement Notice with the effect set out in article 7 6 2 in respect of such Shares as shall have been so sold
- 6 16 Any Share required to be transferred by a Transferor to an Approved Transferee pursuant to this article shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching thereto and if, in determining the Sale Price, there was taken into account any entitlement to any dividend which has been paid prior to the date on which the transfer is registered then the Transferor shall be liable to account to the Approved Transferee for the amount thereof (and the Approved Transferee, when making payment for such Share, may set-off such amount against the Sale Price payable)

7. Share transfers : mandatory transfer notices

- 7 1 If any person shall purport to transfer or otherwise dispose of any Share or any interest in or right arising from any Share otherwise than as permitted under article 5 1 or in accordance with the provisions of these Articles, such person and any Associate of such person who is a Member shall, unless and to the extent (if any) that the Directors otherwise determine at the relevant time, be deemed to have given, on the date on which the Directors give notice to such person that they have become aware of the purported

transfer or other disposal, a Transfer Notice in respect of all Shares of which such person and any such Associate of such person is then the holder

- 7 2 If any person becomes entitled to Shares in consequence of the death, bankruptcy or liquidation of a Member in circumstances where the provisions of article 7 3 do not apply then (unless a transfer to such person would be a Permitted Transfer or the Directors with the consent of the Investor Director(s) determine otherwise at the relevant time) a Transfer Notice shall be deemed to have been given on the date on which the Directors become aware that such entitlement has arisen in respect of all Shares held by the Member and any Associate(s) of such Member

7 3

- 7 3 1 If at any time any director or employee of or consultant to any Group Company shall cease (for whatever reason including (without limitation) death, bankruptcy or liquidation) to be such a director or an employee or consultant (a **"Leaver"**) and such person and/or any Associate(s) of such person shall be the holder of any Ordinary Shares, then

- (a) (unless and to the extent that it is otherwise agreed at the relevant time by the Directors with the consent of the Investor Director(s)) there shall be deemed to have been given on the date of such cessation a Transfer Notice in respect of all Shares then held by such person and any Associate(s) of such person, and
- (b) (unless and to the extent that the Directors agree otherwise at the relevant time with the consent of the Investor Director(s)) then
 - (i) in the case of a Bad Leaver, the Sale Price for the purposes of article 6 7 of each of the Shares the subject of the Transfer Notice shall be deemed to be the amount credited as paid up on each such Share (including for the avoidance of doubt any share premium thereon) or (if the Bad Leaver acquired all or some of the Shares on exercise of a share options), the option exercise price for each such Share, and
 - (ii) in the case of a Good Leaver, the provisions of articles 6 6 to 6 8 shall apply

- 7 3 2 If at any time a former director (not being a former Investor Director) or former employee of or former consultant to any Group Company shall, after ceasing to be such a director, employee or consultant, acquire (or any Associate of his shall acquire) any Shares pursuant to an option or like right which was granted to or otherwise vested in him prior to such cessation then the provisions of article 7 3 1 (a) and (b) above shall apply as if reference in article 7 3 1(a) to **"the date of such cessation"** were reference to the date on which he acquires such Shares

- 7 3 3 If the Directors with the consent of the Investor Director(s) agree that the provisions of article 7 3 1 shall not apply in relation to any director or employee of any Group Company who ceases (for whatever reason) to be such a director or an employee (the date of such cessation being the **"First Cessation Date"**) in circumstances in which such director or employee continues to be a consultant to

any Group Company, then upon such person ceasing to be a consultant (the date of such cessation being the “**Second Cessation Date**”), such person shall be a Leaver and there shall then be deemed to have been given on the date of such cessation a Transfer Notice in respect of all Shares then held by such person and any Associate(s) of such person, provided that if such person shall then be a Good Leaver, the Sale Price shall be the lesser of the market value of the Shares at the First Cessation Date and the market value of the Shares at the Second Cessation Date

7 3 4 If a Leaver is a Fair Leaver then

- (a) to the extent that the Sale Price calculated pursuant to articles 6 6 to 6 8 exceeds either (i) the amount credited as paid up on each such Share (including for the avoidance of doubt any share premium thereon) or (ii) (if the Share was acquired on exercise of a share option) the option exercise price for such Share, that amount (the “**Retention**”) shall remain outstanding at the date the Transfer Notice is deemed to have been given,
- (b) subject to (c) below, the Retention (plus interest thereon at the rate earned on such sum during the relevant 12 month period (less any charges)) shall fall due and payable on the first anniversary of the Leaver resigning. The Company shall use reasonable endeavours to ensure that the Retention earns the best possible interest rate during such period,
- (c) if within 12 months of the Leaver so resigning, he accepts employment with or otherwise provides consulting or similar advisory services to or accepts any office with a party or consortium which the Leaver is at that time prevented from being employed by or otherwise providing consulting or similar advisory services to or accepting any office with by the restrictive covenants in such Leaver’s employment contract with the relevant Group Company, then the Retention shall be treated as no longer due to the Leaver

7 4

7 4 1 If any Transfer Notice is deemed to be given pursuant to article 7 3, the Company shall forthwith give written notice of such occurrence (such notice to include details of all the Shares to which such Transfer Notice relates) to Innisfree M&G (or any permitted transferee thereof). If within 30 days of the giving of such notice by the Company the holder(s) of the Required Shareholding so require, by written notice to the Company (a “**Priority Notice**”) that all or any Shares to which such Transfer Notice relates should be offered for sale first either to any person or persons who is or are (an) existing director(s) and/or employee(s) of a Group Company or to a person or persons (whether or not then ascertained) who it is proposed should be appointed as (a) director(s) and/or employee(s) of a Group Company whether or not in place of the person by whom the relevant Transfer Notice was deemed to be given then the provisions of article 7 4 2 below shall apply

7 4 2 If a Priority Notice is given, then, in relation to the Shares the subject thereof (the “**Priority Shares**”) the provisions of article 6 9 shall not apply to the extent that

the Priority Shares shall be offered by the Company to the person(s) (and, in the case of more than one, in the proportions) specified in the Priority Notice (conditional, in the case of any named prospective director and/or employee, upon his taking up his proposed appointment with a Group Company (if not then taken up)) For this purpose, a Priority Notice may specify that some or all of the Priority Shares should be offered (either in the first instance or insofar as not taken up by any other person(s) specified in such notice) to not less than two persons designated by the holder(s) of the Required Shareholding ("Custodians") to be held (in the event of their acquiring Priority Shares) on and subject to the terms referred to in article 7 4 3 below

7 4 3 If Custodians become the holders of Priority Shares, then (unless and to the extent that the Directors with the consent of the Investor Director(s) otherwise agree from time to time) they shall hold the same on, and subject to, the following terms

- (a) they may exercise the voting rights (if any) for the time being attaching to such Shares as they think fit,
- (b) save with Majority Approval, they shall not encumber the same,
- (c) they will transfer the legal title to such Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as the holder(s) of the Required Shareholding may from time to time direct by notice in writing to the Custodians PROVIDED THAT the Custodians may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss,
- (d) if an offer is made to them for the Priority Shares (whether as part of a general offer or otherwise) then they shall seek instructions from the holders of the Required Shareholding as to what (if any) actions they should take with regard thereto but, absent instructions from the holder(s) of the Required Shareholding within 21 days of seeking the same, the Custodians may accept or decline to accept such offer, as they think fit

7 5 If a person in whose favour a Permitted Transfer was made pursuant to article 5 1 3 shall cease to be an Associate of the person by whom such transfer was made then he shall, within seven days of such cessation, give notice in writing to the Company of that fact and unless the Directors determine otherwise at the relevant time there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all Shares held by such person (as is first-mentioned in this article 7 5) and any Associate(s) of such person.

7 6 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is required or may be deemed to be given under any provision of article 6 or this article 7, the Directors may from time to time require any Member or the personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or any person who was, is or may be an Associate of any of the foregoing to furnish to the Company such information

and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing stipulate that a Mandatory Transfer Notice shall as from the date of such notice or on such future date as may be specified therein be deemed to have been given by the holders of those Shares and/or their Associates in respect of all or any of such Shares. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled

7 6 1 to refuse to register the transfer in question or, in case no transfer is in question, to require by notice in writing that a Transfer Notice be given by the holders of the relevant Shares in respect of all such Shares, and/or

7 6 2 to give to the holder(s) of the Shares in question a notice (a **"Disenfranchisement Notice"**) stating that such Shares shall as from the date of such notice no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting or to receive or be entitled to receive any dividend or other distribution until such time as the Directors shall think fit and, as from such date, such Shares shall no longer confer any such rights accordingly

7 7 A Director (not being an Investor Director) shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not be entitled to vote in relation to) any matter which requires to be determined or otherwise decided upon by the Directors pursuant to or for the purpose of any of articles 4, 5 or 6 or this article 7 to the extent such matter relates to any Shares held by such Director or any Associate of such Director or in which such Director is otherwise interested

7 8 In any case, where a Mandatory Transfer Notice has been deemed to have been given by a Member, such Member shall, upon demand by the Company, deliver up to and lodge with the Company the share certificate(s) in respect of the relevant Shares

8. **Transfer of a Controlling Interest**

8 1 For the purposes of this article

8 1 1 the expression **"Buyer"** means a person who is not an existing holder of Ordinary Shares or Preferred Shares and any Associate of such person,

8 1 2 the expression **"acquire"** means to be or become the legal or beneficial owner of Shares, whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not,

8 1 3 the expression a **"Controlling Interest"** means Shares (or the right to exercise the votes attaching to Shares) which confer in the aggregate more than 50 per cent of the total voting rights conferred by all the Shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all general meetings,

8 1 4 the expression the **"Prescribed Price"** shall mean

- (a) in relation to all Ordinary Shares a price per share approved by the holder(s) of the Required Shareholding or, failing such approval, the full cash equivalent of the highest price which, at the time of making the relevant Offer (as referred to below), the Buyer has agreed to pay or is prepared to offer to pay to any holder(s) of Ordinary Shares, and
- (b) in relation to all Preferred Shares a price per share approved by the holder(s) of the Required Shareholding or, failing such approval, the full cash equivalent of the highest price which, at the time of making the relevant Offer (as referred to below), the Buyer has agreed to pay or is prepared to offer to pay to any holder(s) of Preferred Shares

8 2 Notwithstanding anything to the contrary contained in these Articles save with Majority Approval no Buyer shall be entitled or permitted to acquire, and no person shall transfer any Shares (or any interest) if, as a result, a Buyer would acquire a Controlling Interest in the Company unless and until the Buyer has first made an offer in writing (in accordance with article 8 3) to all the holders of all Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them for cash payable in full on completion of any sale (or with a cash alternative payable in full on completion of any sale) at the Prescribed Price per Share their entire holdings of Shares in the capital of the Company

8 3 In the event that any such offer as is referred to in article 8 2 (an “Offer”) is made

- (a) as soon as reasonably practicable upon becoming aware of any potential Buyer, the Company shall inform all the Members and following receipt of a formal Offer from the Buyer in writing, the Company shall notify the Members of the details of such Offer, and
- (b) each Member holding more than 10 per cent of all the issued ordinary share capital of the Company shall have the option (the “Option”) exercisable for a period of 21 days following receipt of the details of the Offer (the “Option Period”) to acquire all (but not part) of the Shares on no less favourable terms than those offered by the Buyer (including as to price),

PROVIDED THAT it shall be a condition of the exercise of the Option that any qualifying Member which chooses to exercise the Option delivers to the other Members in cleared funds the relevant consideration therefor within the Option Period and that such other Members shall have no obligation to give warranties, guarantees or indemnities to the Member exercising the Option in respect of the Shares so sold (other than warranties as to title)

8 4 Following the expiry of the Option Period and provided that no qualifying Member has exercised the Option, the Offer must be open for acceptance and irrevocable for a period of not less than 30 and not more than 60 days, must not save with Majority Approval contain any requirement for any person to whom the same is made to give any representation, warranties or undertakings other than as to their capacity and capability to sell the relevant Shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if the Buyer so wishes, that acceptances must be received for a specified percentage of all the Shares in respect of which the Offer is made

- 8 5 If within 60 days of the making of an Offer, the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made to the extent that the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has made a further Offer
- 8 6 If a Buyer receives (within the period of 60 days referred to in article 8 4) acceptances of an Offer which will result in the Buyer owning not less than 70 per cent of all the issued ordinary share capital of the Company then the Buyer may extend the Offer to the extent that, if within 30 days of the expiry of such period of 60 days, the Buyer gives written notice to those Members who have not accepted the Offer requiring them so to do, then each of such non-accepting Members shall upon the giving of such notice
- 8 6 1 be deemed to have accepted the same in respect of all Shares held by him in accordance with the terms of the Offer, and
- 8 6 2 become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same
- 8 7 If any such non-accepting Member as is referred to in article 8 6 shall not, within 14 days of becoming required to do so, execute transfers in respect of the Shares held by such Member, then the Directors shall be entitled to, and shall, authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Member) of the purchase moneys payable for the relevant Shares, deliver such transfer(s) to the Buyer (or its agents) and register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder the validity of such proceedings shall not be questioned by any person
- 8 8 In calculating the Prescribed Price for the purposes of article 8 1 4 there shall be brought into account any other consideration (in cash or otherwise) received or receivable by any Member or former Member (or any Associate of such Member or former Member) which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable (or to be provided) for the shares in question
- 8 9 For the purpose of ensuring
- 8 9 1 that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this article (and to that end for the purpose of determining whether one person is an Associate of another), or
- 8 9 2 that a price offered or proposed to be offered for any Shares is the Prescribed Price,
- the Directors may from time to time require any Member to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may deem relevant for such purposes

PART B

9. Further provisions concerning Shares

- 9 1 Subject to the provisions of the Act, Shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles
- 9 2 The Company may exercise the powers of paying commissions conferred by the Act Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other
- 9 3 Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the holder
- 9 4 If the Directors refuse to register a transfer of a Share, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal
- 9 5 The registration of transfers of Shares (of any class) may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may reasonably determine
- 9 6 No fee shall be charged for the registration of any instrument or transfer or other document relating to or affecting the title to any Share
- 9 7 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given
- 9 8 If a Member dies the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been solely or jointly held by him
- 9 9 Subject as otherwise provided by or in accordance with these Articles, a person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were the holder of the Share, except that he shall not, before being registered as the holder of the Share, be entitled (in respect of it) to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of Shares

10. Share certificates

- 10 1 Every Member, upon becoming the holder of any Shares, shall be entitled without payment to one certificate for all the Shares of each class held by him within one month from the date of issue (or such longer period as the terms of issue shall provide) after allotment (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding within 14 days after lodgement of the transfer) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such

reasonable sum as the Directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

- 10 2 If a share certificate is defaced, worn-out, lost stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

11. Lien

- 11 1 The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all monies (whether presently payable or not) payable or otherwise owing by the holder of such Share (or any Associate of such holder) to the Company or any other Group Company. The Company's lien on a Share shall extend generally as aforesaid as well as to any amount payable in respect of it.
- 11 2 The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of article 11 1.
- 11 3 The Company may sell any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 Clear Days after notice in writing has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. The provisions of article 5 shall apply to any sale of Shares made by the Company pursuant to this article (on the basis that a Mandatory Transfer Notice shall be deemed to have been given upon the expiry of such period of 14 days as is above referred to).
- 11 4 To give effect to a sale as aforesaid the Directors may authorise some person to execute on behalf of the holder of the relevant Shares an instrument of transfer of such Shares in favour of the purchaser(s).
- 11 5 The net proceeds of such sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of such sale.

12. Calls on Shares and forfeiture

- 12 1 Subject to the terms of allotment, the Directors may make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the

subsequent transfer of the Shares in respect whereof the call was made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

- 12.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 12.3 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it becomes due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part.
- 12.4 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
- 12.5 Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 12.6 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 Clear Days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expense incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited. The Directors may accept a surrender of any Share liable to be forfeited hereunder.
- 12.7 If the Shares are not surrendered or if the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 12.8 Subject to the provisions of the Act and these Articles, a forfeited or surrendered Share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture or surrender the holder or to any other person and at any time before sale, surrender, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where the Directors propose that a forfeited or surrendered Share should be transferred then the Company shall give written notice of such proposal to the Member concerned. The provisions of article 5 shall apply in relation to any proposed transfer of a Share pursuant to this article (on the basis that a Mandatory Transfer Notice in respect of such Share shall be deemed to be given on the date on which such notice aforementioned is given).
- 12.9 A person any of whose Shares have been forfeited or surrendered shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was so payable, at the

appropriate rate (as defined in the Act) from the date of forfeiture or surrender until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or for any consideration received on their disposal

- 12 10 A statutory declaration by a director or the Secretary that a Share has been forfeited or surrendered or sold to satisfy a lien of the Company on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The declaration and the receipt of the Company for the consideration (if any) given for the Share on the sale, re-allotment or disposal thereof shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor, subject to compliance by the Directors with article 5, shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the Share

13. Alteration of share capital

- 13 1 Subject to the Act and as provided in Part A of these Articles, the Company may by ordinary resolution
- 13 1 1 increase its share capital by the creation of new Shares of such amount as the resolution prescribes,
 - 13 1 2 consolidate and divide all or any of its share capital into Shares of larger amounts than its existing Shares,
 - 13 1 3 sub-divide its Shares, or any of them, into Shares of smaller amounts and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference, or special right or advantage or subject to any such restriction as compared with the others, and
 - 13 1 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.
- 13 2 Whenever, as a result of a consolidation of Shares any Members would become entitled to fractions of a Share, the Directors may, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Members. The provisions of article 5 shall apply to any such sale and the Directors may authorise some person to execute a Transfer Notice and an instrument of transfer of the Shares in favour of the purchaser(s). No such purchaser shall be bound to see to the application of the purchase money nor, subject to compliance by the Directors with article 5, shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale
- 13 3 Subject to the provisions of the Act or these Articles, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium or other undistributable reserve account in any way

14. Purchase of own Shares

Subject to the provisions of the Act or these Articles, the Company may purchase its own Shares (including any redeemable Shares) and, whilst a private company, make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares

15. General meetings

15 1 All general meetings other than annual general meetings shall be called extraordinary general meetings

15 2 The Directors may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed with proper expedition to convene an extraordinary general meeting for a date not later than 28 days after receipt of the requisition

16. Notice of general meetings

16 1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least 21 Clear Days' notice. All other extraordinary general meetings shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed

16 1 1 in the case of an annual general meeting, by all the Members entitled to attend and vote thereat, and

16 1 2 in the case of any other meeting by a majority in number of the Members having a right to attend and vote being a majority together holding not less than 95 per cent in nominal value of the Shares giving that right

The notice shall specify the time, place and day of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such

Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Members entitled to receive such notices, to all persons entitled to a Share in consequence of the death or bankruptcy of a Member and to the Directors and auditors

16 2 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

17. Proceedings at general meetings

17 1 No business other than the appointment of a chairman shall be transacted at any meeting unless a quorum is present. Subject to any provision to the contrary contained in Part A of these Articles, two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum

- 17 2 If such a quorum is not present within half an hour from the time appointed for the meeting (or such longer interval as the chairman of the meeting may think fit to allow) 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 at the same time and place or such time and place as the Directors may determine
- 17 3 The chairman, if any, of the board of directors or in his absence some other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman
- 17 4 If no Director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be chairman
- 17 5 A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company
- 17 6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place When a meeting is adjourned for 14 days or more, at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to give any such notice
- 17 7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is duly demanded Subject to the provisions of the Act, a poll may be demanded
- 17 7 1 by the chairman, or
- 17 7 2 by at least two Members having the right to vote at the meeting, or
- 17 7 3 by a Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meeting, or
- 17 7 4 by a Member or Members holding shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the right,
- and a demand by a person as proxy for a Member shall be the same as a demand by the Member
- 17 8 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be

conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

- 17 9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made
- 17 10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
- 17 11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have
- 17 12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith A poll demanded on any other question shall be taken either forthwith or at such place and time (not being more than 30 days after the poll is demanded) as the chairman directs The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made
- 17 13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded In any other case at least seven Clear Days' notice shall be given specifying the time and place at which the poll is to be taken
- 17 14 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 at which he was present 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 the like form each executed by or on behalf of one or more Members

18. Votes of Members

- 18 1 Subject to any rights or restrictions as to voting attached to any Shares and in particular to those set out in part A of these Articles, on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a Member entitled to vote) and every person (not being himself a Member entitled to vote) present as a proxy for a Member or Members shall have one vote and on a poll every Member (or his proxy) shall have one vote for every Share of which he (or the Member by whom he was appointed) is the holder
- 18 2 In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of Members in respect of the Share
- 18 3 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other

person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person 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 these 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.

- 18.4 No Member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently due and owing by him to the Company in respect of that Share have been paid.
- 18.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 18.6 On a show of hands or a poll, votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion and a Member entitled to more than one vote need not use all his votes or cast all his votes used in the same way. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting.
- 18.7 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor (in the case of a corporation the instrument shall be under the common seal or signed by a duly authorised officer) and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

“ [Limited][PLC]
 I/We, _____, of _____ being a Member/Members of the above-named company, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on _____ 20____, and at any adjournment thereof.
 Signed this _____ day of _____ 20____ “

- 18.8 Where it is desired to afford Members an opportunity of instructing the proxy how he shall act, the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

“ [Limited][PLC]
 I/We, _____, of _____, being a Member/Members of the above-named company, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on _____ 20____, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 *for *against
Resolution No 2 *for *against

*Strike out whichever is not desired

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting

Signed this day of 20 "

- 18 9 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the Directors shall
- 18 9 1 be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 18 9 2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or
- 18 9 3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

- 18 10 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll The instrument shall, unless the contrary is stated thereon, be valid for any adjournment of the meeting as well as for the meeting to which it relates Provided that an instrument of proxy relating to more than one meeting (including adjournments thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for any purpose of any subsequent meeting to which it relates

19. Number of directors

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two

20. Alternate directors

- 20 1 Any Director (other than an alternate director) may appoint by notice in writing to the Company any other Director, or any other person approved by resolution of the Directors

and willing to act, (such notice of appointment to be deposited at the Office) to be an alternate director and may remove from office any alternate director so appointed by him

- 20 2 An alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom
- 20 3 Every person acting as an alternate director shall have one vote for every Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate director to any resolution in writing of the Directors or of a committee of the Directors, of which his appointor is a member shall (unless the notice of his appointment provides to the contrary) be as effective as the signature of his appointor
- 20 4 An alternate director shall ipso facto cease to be an alternate Director if his appointor ceases to be a Director
- 20 5 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors
- 20 6 Save as otherwise provided in these 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

21. Powers of directors

- 21 1 Subject to the provisions of the Act, the Company's memorandum of association and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the memorandum of association or these 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 or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors
- 21 2 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers

22. Delegation of directors' powers

The Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such 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 at any time be revoked, withdrawn, varied or altered. Subject to any such conditions, the

proceedings of a committee with two or more members shall be governed by the provisions of these Articles regulating the proceedings of Directors so far as they are capable of applying

23. Appointment and retirement of directors

- 23 1 The Directors shall have power at any time, and from time to time, to appoint any person (willing to act) to be a Director, either to fill a casual vacancy or as an additional Director
- 23 2 The Company may by ordinary resolution appoint a person (willing to act) to be a Director either to fill a vacancy or as an additional Director
- 23 3 No Director shall be required to vacate his office as a Director, nor shall any person be ineligible for appointment as a Director, by reason of his having attained any particular age

24. Disqualification and removal of directors

The office of a Director shall be vacated if

- 24 1 1 he ceases to be a Director by virtue of any provision of the Act or these Articles (including (without limitation) article 3 5) or he becomes prohibited by law from being a director of a company, or
- 24 1 2 he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- 24 1 3 he is, or may be, suffering from mental disorder and either
- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- 24 1 4 he resigns his office by notice in writing to the Company, or
- 24 1 5 he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated, or
- 24 1 6 in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee and the Directors resolve that his office be vacated,
- 24 1 7 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated,
- 24 1 8 (save in the case of an Investor Director) all the other Directors unanimously resolve that his office be vacated

25. Remuneration of directors

The Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day and shall be divisible among the Directors as they agree, or, failing agreement, equally

26. Directors' expenses

The Directors (including alternate directors) may be paid all travelling, hotel, and other expenses properly and reasonably incurred by them 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 of debentures of the Company or otherwise in connection with the discharge of their duties

27. Directors' appointments and interests

27 1 Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of managing director or to any other executive office with the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of the contract of service between the Director and the Company

27 2 Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director, notwithstanding his office

27 2 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,

27.2 2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and

27 2 3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

27 3 For the purposes of article 27 2

27 3 1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and

27 3 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

28. Directors' gratuities and pensions

The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who holds or who has held but no longer holds any executive office or employment with the Company or with other past or present Group Company or a predecessor in business of the Company or of any other past or present Group Company and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

29. Proceedings of Directors

29 1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be prospective or retrospective. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

29 2 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, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.

29 3 The Directors may appoint one of their number to be the chairman of the Board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. If there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

29 4 All or any of the members of the board of Directors or of any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is and shall be deemed to be a meeting even if there is only one person physically present where it is deemed to take place.

29 5 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) or by all the members of a committee of the board shall be as valid and effectual as if it had been passed at a meeting of the board or that committee duly convened and held and may be contained in one document (or in several documents in all substantial respects in like form) each signed by

one or more of the Directors or members of that committee. Any such document may be constituted by letter, facsimile or otherwise as the Board may from time to time resolve.

29.6 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 regards all persons dealing in good faith with the Company) 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.

29.7

29.7.1 Save as otherwise provided by these Articles, a Director shall not 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 which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or another Group Company,
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of any debt or obligation of the Company or another Group Company for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or another Group Company, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or another Group Company for subscription, purchase or exchange,
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

29.7.2 For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

29.8 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

- 29 9 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors
- 29 10 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment
- 29 11 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive

30. Secretary

Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them but without prejudice to any claim for damages for breach of any contract of service between the Secretary and the Company. If thought fit, two or more persons may be appointed as joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more assistant or deputy Secretaries.

31. Minutes

The Directors shall cause minutes to be made in books kept for the purpose

31 1 1 of all appointments of officers made by the Directors, and

31 1 2 of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of any committee of Directors, including the names of the Directors present at each such meeting

32. The common seal

The common seal of the Company 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 common seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

33. Dividends

- 33 1 Subject to the provisions of the Act and these Articles, the Company may by ordinary resolution declare final dividends in accordance with the respective rights of the Members, but no final dividend shall exceed the amount recommended by the Directors
- 33 2 Subject to the provisions of the Act and these Articles, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. The Directors shall pay any dividend payable at a fixed rate and time subject only to the Company having sufficient profits available for distribution

- 33 3 Except as otherwise provided by the rights attached to any class of Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid, but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.
- 33 4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.
- 33 5 Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled (or, if two or more persons are the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of any one of such persons) who is first named in the register of Members or to such person and to such address as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share. Every such cheque shall be sent at the risk of the person entitled to the money represented thereby.
- 33 6 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
- 33 7 The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a Share into a separate account shall not constitute the Company as a trustee in respect of such moneys. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.
- 33 8 The Directors may retain any dividend or other monies payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the debts or other liabilities in respect of which the lien exists.

34. Accounts

No Member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as expressly agreed in writing between the Company and a Member or as conferred by statute or authorised by the Directors or by ordinary resolution of the Company, or ordered by a court of competent jurisdiction.

35. Capitalisation of profits and reserves

The Directors may, with the authority of an ordinary resolution of the Company

- 35 1 1 capitalise any sum standing to the credit of any of the Company's reserve accounts (including (without limitation) share premium account or any revaluation reserve) or any sum standing to the credit of profit and loss account,

- 35 1 2 appropriate the sum resolved to be capitalised to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Shares or debentures credited as fully paid to those Members, in those proportions, or partly in one way and partly in the other but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid,
- 35 1 3 make such provision as the Directors think fit for any fractional entitlements which would arise on the basis referred to above (including provision whereby fractional entitlements are disregarded), and
- 35 1 4 authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such Members

36. Notices

- 36 1 Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing
- 36 2 The Company may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address In the case of joint holders of a Share, all notices shall be given to the joint holder whose name stands first in the register of Members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such Member shall be entitled to receive any notice from the Company
- 36 3 A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called
- 36 4 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the register of Members, has been duly given to a person from whom he derives his title
- 36 5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted
- 36 6 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by

name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

37. Winding up

If the Company is wound up, the liquidator may subject to the rights attaching to each class of Shares, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

38. Indemnity

38 1 Subject to, and to the extent not avoided by, the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled

38 1 1 every Director, secretary or other officer of the Company other than an auditor may be indemnified out of the assets of the Company to whatever extent the board may determine against any costs, charges, expenses, losses and liabilities sustained or incurred by him in the actual or purported execution of his duties or in the exercise or purported exercise of his powers or otherwise in connection with his office, whether or not such liability attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company,

38 1 2 the board shall have power to provide funds to meet any expenditure incurred or to be incurred by any Director, secretary or other officer of the Company other than an auditor in defending any criminal or civil proceeding in which he is involved by reason of his office, or in connection with any application under the Act, or in order to enable him to avoid incurring such expenditure, and

38 1 3 every auditor of the Company may be indemnified out of the assets of the Company to whatever extent the board may determine against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application 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 Company

38 2 The board shall have power to purchase and maintain for any Director, secretary, auditor or other officer of the Company or of an associated Company (as defined in section 309A(6) of the Act) of the Company insurance against any such liability as is referred to in section 309A(1) of the Act

39. Subsidiaries

The Company shall procure that each other Group Company shall comply with those provisions of these Articles which are expressed to apply to a Group Company and that no Group Company shall do or permit to be done any act, matter or thing which if it were done or permitted to be done by the Company would constitute a breach by the Company of any provision of these Articles or would require any consent, approval or sanction under these Articles, unless in such latter case such consent, approval or sanction has first been obtained