

Company No 03565766

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
of
LINK INTERCHANGE NETWORK LIMITED

We, the undersigned, being all the Members of LINK Interchange Network Limited (the "Company") for the time being entitled to receive notice of, attend and vote at General Meetings of the Company, hereby unanimously pass the following Resolutions and agree that the said Resolutions shall for all purposes be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held (and, for these purposes, Resolution 1 shall be passed as a special resolution and Resolution 2 shall be passed as an ordinary resolution)

RESOLUTIONS

- 1 THAT the Articles of Association articles appended to this written resolution be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the current Articles of Association of the Company, and
- 2 THAT each existing 'B' share in the capital of the Company is hereby converted into one 'A' share in the capital of the Company

Alliance & Leicester plc

Sir Ilerd

Abbey National plc



Company No 03565766

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Alliance & Leicester plc

Abbey National plc


IAN WILLIAMS
(AUTHORISED SIGNATORY)

 COMPANIES HOUSE

AIB Group (UK) plc

A handwritten signature in black ink, appearing to be 'W. C. O'Brien', written over a horizontal line.

Bank of Scotland

Barclays Bank PLC

Bradford & Bingley plc

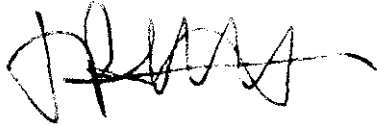
Britannia Building Society

Bristol & West plc

Clydesdale Bank PLC

AIB Group (UK) plc

Bank of Scotland

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Barclays Bank PLC

Bradford & Bingley plc

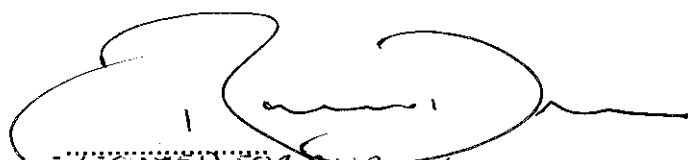
Britannia Building Society

Bristol & West plc

Clydesdale Bank PLC

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AIB Group (UK) plc

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Bank of Scotland


EXECUTED FOR AND ON
BEHALF OF
Barclays Bank PLC
ACTING BY JANNABY DAVIS

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Bradford & Bingley plc

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Britannia Building Society

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Bristol & West plc

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Clydesdale Bank PLC

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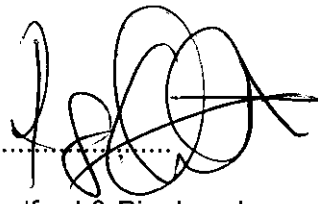
AIB Group (UK) plc

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Bank of Scotland

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Barclays Bank PLC

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Bradford & Bingley plc
ROGER HATTAM

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Britannia Building Society

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Bristol & West plc

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Clydesdale Bank PLC

AIB Group (UK) plc

Bank of Scotland

Barclays Bank PLC

Bradford & Bingley plc

Britannia Building Society

A handwritten signature in black ink, appearing to read 'Mike Sims', with a stylized flourish underneath.

MIKE SIMS

Bristol & West plc

Clydesdale Bank PLC

AIB Group (UK) plc

Bank of Scotland

Barclays Bank PLC

Bradford & Bingley plc

Britannia Building Society

Bristol & West plc

A handwritten signature in black ink, appearing to read 'V. Shennan' followed by a period. The signature is written in a cursive, flowing style.

Clydesdale Bank PLC

AIB Group (UK) plc

Bank of Scotland

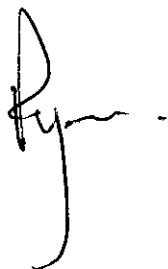
Barclays Bank PLC

Bradford & Bingley plc

Britannia Building Society

Bristol & West plc

Clydesdale Bank PLC

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Co-operative Bank plc

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Coventry Building Society

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Derbyshire Building Society

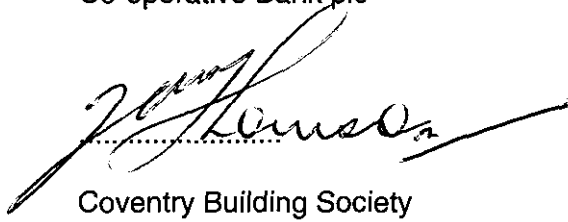
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HFC Bank Limited

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Lloyds TSB Bank plc

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HSBC Bank plc

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Co-operative Bank plc


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Coventry Building Society

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Halifax plc

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HFC Bank Limited

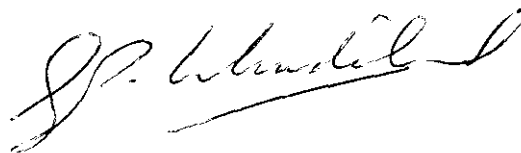
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Lloyds TSB Bank plc

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HSBC Bank plc

Co-operative Bank plc

Coventry Building Society

Derbyshire Building Society

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Halifax plc

HFC Bank Limited

Lloyds TSB Bank plc


HSBC Bank plc

Co-operative Bank plc

Coventry Building Society

Derbyshire Building Society

Halifax plc

A handwritten signature in black ink, appearing to be 'P. HALL', written over a faint, stylized background graphic.

HFC Bank Limited

Lloyds TSB Bank plc

HSBC Bank plc

Co-operative Bank plc

Coventry Building Society

Derbyshire Building Society

Halifax plc

HFC Bank Limited

A handwritten signature in black ink, appearing to be 'A. M.', followed by a period.

Lloyds TSB Bank plc

HSBC Bank plc

Co-operative Bank plc

Coventry Building Society

Derbyshire Building Society

Halifax plc

HFC Bank Limited

A handwritten signature in black ink, appearing to read 'Ron Whatford', with a long horizontal flourish extending to the right.

Lloyds TSB Bank plc
Ron Whatford
Managing Director
Stone Services.

HSBC Bank plc

Co-operative Bank plc

Coventry Building Society

Derbyshire Building Society

Halifax plc

HFC Bank Limited

Lloyds TSB Bank plc

HSBC Bank plc

A large, stylized handwritten signature in black ink, appearing to read 'David Niblock', with a long horizontal flourish extending to the right.

DAVID NIBLOCK

National Westminster Bank Plc

Nationwide Building Society

Northern Rock plc

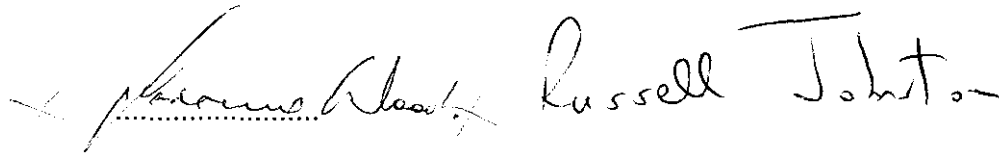
The Royal Bank of Scotland plc

Yorkshire Building Society

DATED

2006

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National Westminster Bank Plc


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Russell Johnston
Nationwide Building Society

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Northern Rock plc

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The Royal Bank of Scotland plc

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Yorkshire Building Society

DATED: 2006

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National Westminster Bank Plc

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Nationwide Building Society



Northern Rock plc

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The Royal Bank of Scotland plc

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Yorkshire Building Society

DATED: 2006

Page 2 of 2

.....

National Westminster Bank Plc

Jon ER

JOHN ELLINGTON

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Nationwide Building Society

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Northern Rock plc

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The Royal Bank of Scotland plc

Jon ER

JOHN ELLINGTON

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Yorkshire Building Society

DATED:

2006

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Co-operative Bank plc

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Coventry Building Society

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Derbyshire Building Society

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Halifax plc

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HFC Bank Limited

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Lloyds TSB Bank plc

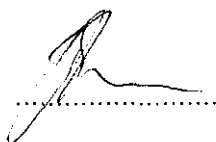
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HSBC Bank plc

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National Westminster Bank Plc

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Nationwide Building Society

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Northern Rock plc

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The Royal Bank of Scotland plc



(Robert Bruce Jackson)

Yorkshire Building Society

DATED: 21 DECEMBER 2006

Company Number: 3565766

**THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES**

Articles of Association

of

LINK Interchange Network Limited

(Adopted by Special Resolution on 21 December 2006)

Simmons & Simmons

CityPoint One Ropemaker Street London EC2Y 9SS
T 020 7628 2020 F 020 7628 2070 DX Box No 12

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1. Definitions and interpretation

1.1 Definitions

In these Articles unless the context otherwise requires:

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

"address", when used in relation to Electronic Communications, includes any number or address used for the purposes of such communications;

"Articles" means these Articles of Association in their present form or as from time to time altered, and the expression "this Article" shall be construed accordingly;

"A' Shareholder" means a holder of 'A' Shares; and

"A' Shares" means 'A' ordinary shares of £1 each in the capital of the Company;

"Associated Company" means, in relation to a Shareholder, a subsidiary undertaking or parent undertaking of that Shareholder or, where that Shareholder is a subsidiary undertaking of another undertaking, any other subsidiary undertaking of that other undertaking and for the purposes of this definition the expressions 'subsidiary undertaking', 'parent undertaking' and 'undertaking' shall have the respective meanings given to them in Sections 258 and 259 of the Companies Act 1985;

"Auditors" means the auditors for the time being of the Company;

"Board" means the board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;

"Business Day" means a day (excluding a Saturday or Sunday) on which banks are open in London for the conduct of ordinary business;

"Chairman" means the chairman of the Company;

"Chief Executive" means the chief executive of the Company;

"Director" means a director of the Company;

"Electronic Communication" means a communication by facsimile or electronic mail, and any other form of Electronic Communication, as defined by the Electronic Communications Act 2000;

"Employee Share Trust" means a scheme set up by the Company for encouraging or facilitating the holding of the Company's shares by or for the benefit of:

- (A) the bona fide employees or former employees of the Company or any subsidiary or holding company of the Company or other subsidiary of the Company's holding company; or
- (B) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;

"E' Shares" means 'E' ordinary shares of £0.01 each in the capital of the Company;

"Office" means the registered office of the Company;

"Register" means the register of Shareholders in the Company;

"Seal" means the common seal of the Company;

"Securities Seal" means the seal kept by the Company pursuant to Section 40 of the Act;

"Secretary" means any person appointed to perform the duties of the secretary of the Company including a joint assistant or deputy secretary;

"Shareholder" means a shareholder in the Company; and

"United Kingdom" means Great Britain and Northern Ireland.

1.2 Interpretation

In these Articles:

- (A) references to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing works in a legible and non-transitory form;
- (B) any words or expressions defined in the Act shall bear the same meaning in these Articles save that 'company' shall where the context permits include any company or body incorporated in the United Kingdom or elsewhere; and
- (C) where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where an extraordinary resolution is required a special resolution shall also be effective.

2. Table A

Table A as prescribed by virtue of Appendix Two to the Act shall not apply to the Company.

3. Share capital

3.1 **Authorised share capital**

The authorised share capital of the Company is £1,040,000 divided into 1,000,000 'A' Shares and 4,000,000 'E' Shares.

3.2 **'E' Shares**

The holders of the 'E' Shares shall not be entitled to any vote at a general meeting of the Company or the right to attend the same or to receive notice thereof and shall not be entitled to any dividend, distribution or return of assets other than on a reduction of the capital paid up on the 'E' Shares and on a Winding Up an amount per 'E' Share calculated in accordance with the following formula:

10% x (the value attributable to all equity classes of shares of the Company -
£59,000,000)

Authorised share capital of 'E' Shares x 100

provided always that if, following the date on which these Articles are adopted by the Company, the authorised share capital of 'E' Shares is increased to beyond £40,000, the numerator in the above formula (being 10%) shall be deemed to be similarly increased by the same percentage as that by which the authorised share capital of 'E' Shares has been increased.

3.3 Winding Up

For the purposes of the valuation formula set out in this Article 3 "Winding Up" means the liquidation of the Company on a shareholders voluntary winding-up.

3.4 Pre-emption rights

The provisions of Section 89(1) of the Act do not apply to the Company.

3.5 Other

Without prejudice to any rights or privileges previously conferred on the holders of any shares or class of shares (and subject, in particular, to Article 5.1) any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by special resolution determine.

3.6 Repurchase of shares

Subject to the provisions of the Act, the Company may purchase any of its own shares (including any redeemable shares). The terms and manner of any such purchase shall (save insofar as the Act or any authority granted by the Company in general meeting under the Act shall otherwise require) be determined by the Board.

3.7 Commissions

The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate or amount of the commission paid or agreed to be paid and the number of the shares which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the Act and that such commission shall not exceed the limit imposed by the Act. Subject to the Act such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares in partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

3.8 Interests in shares

Except as ordered by a Court of competent jurisdiction or as by law or by these Articles otherwise required, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share of any other right in

respect of any share except an absolute right to the entirety thereof in the registered holder.

4. Modification of rights

4.1 General

- (A) Subject to the provisions of the Act and as otherwise provided in these Articles all or any of the rights and restrictions for the time being attached to any class of shares in the capital of the Company may be varied or cancelled with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of such shares.
- (B) To every such separate meeting all the provisions of these Articles relating to general meetings and to the proceedings and voting thereat shall apply mutatis mutandis.

4.2 Issue of shares

The rights and privileges attached to any class of shares shall not, unless otherwise provided by the conditions of issue of such shares, be deemed to be varied or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

5. Share certificates

5.1 General

Every person whose name is entered as a Shareholder in the Register shall be entitled, without payment, to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide or the circumstances of the transfer shall admit) one certificate for all his shares of any one class, or several certificates each for one or more of his shares of such class upon payment of reasonable out of pocket expenses. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. Where a Shareholder has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

5.2 Replacement certificate

If a share certificate be defaced, lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity and payment of any exceptional out of pocket expenses of the Company of investigating such evidence as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

5.3 Execution of certificate

All forms of certificate for shares or debentures, (except where the instrument constituting any debenture provides to the contrary) shall be issued under the Seal of the Securities Seal, (and in the latter case such certificates need not be signed or countersigned by any person) or executed as a deed by a Director and the secretary of the Company or by any two Directors of the Company.

6. Lien

6.1 General

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company shall also have a first and paramount lien on all shares (including fully paid shares) standing registered in the name of a single Shareholder for all the debts and liabilities of such Shareholder or his estate to the Company, and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person whether a Shareholder of the Company or not. The Company's lien on a share shall extend to all dividends and other moneys payable thereon or in respect thereof, but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

6.2 Sale of shares subject to lien

The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.

6.3 Application of proceeds

The net proceeds of sale shall be applied in or towards payment or satisfaction of the debt of liability in respect whereof the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

7. Calls on shares

7.1 General

The Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times and each Shareholder shall (subject to the Company giving to him at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.

7.2 Revocation of call

A call may be revoked or postponed as the Board may determine.

7.3 Timing and payment

A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

7.4 Joint holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

7.5 Interest

If a sum called in respect of a share be not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Board may determine but the Board shall be at liberty to waive payment of such interest wholly or in part.

7.6 Amounts payable in respect of shares

Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

7.7 Issues of shares

The Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

7.8 Advance payment of amounts due in respect of call

The Board may, if it thinks fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced and may (until the same would, but for such advance, become presently payable) pay interest at such rate, as may be agreed upon between the Board and the Shareholder paying such sum in advance. The Board may at any time on giving not less than three months' notice in writing to such Shareholder repay to him the amount by which any such advance exceeds the amount actually called up on the shares.

8. Forfeiture of shares

8.1 General

If a Shareholder fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalments remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which and the place or places when the payment

required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

8.2 Surrender

The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.

8.3 Non-compliance with notice

If the requirements of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

8.4 Effect of forfeiture

A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.

8.5 Liabilities in respect of shares

A person whose shares have been forfeited shall cease to be a Shareholder in respect of the forfeited shares, and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine, from the date of forfeiture until payment.

8.6 Statutory declaration

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

8.7 Notice

When any share has been forfeited, notice of the forfeiture shall forthwith be given to the person who was before forfeiture the holder of the share or to the person who was before forfeiture entitled to the share by reason of the death or bankruptcy of the holder (as the

case may be), but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

9. Transfers - general

9.1 Instrument of transfer

The instrument of transfer of any share shall be executed by or on behalf of the transferor. In the case of a partly-paid share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.

9.2 Discretion to refuse to register transfer

Save in respect of a transfer by a Shareholder to an Associated Company, the Directors may refuse to register the transfer of a share to a person of whom they do not, acting reasonably, approve for any reason (including, but not limited to, transfers to companies which the Board, in its absolute discretion, deem to be direct competitors of the Company or in circumstances where the Board reasonably considers that such transfer is likely to materially and adversely affect the competitive position of the Company, the Company's ability to ensure the continued confidentiality of any commercially sensitive information, or the continued provision by the Company of switching, processing and interchange services in connection with the LINK card scheme) and they may refuse to register the transfer of a share that is not a fully paid up share or on which the Company has a lien.

9.3 Loss of approved status

The Board may also refuse to register a transfer in respect of 'E' Shares if the transfer of the 'E' Shares would result in the Inland Revenue approved scheme losing its approved status. In such circumstances the Board will also refuse to register a transfer in respect of any 'A' Shares which are proposed to be transferred by the proposed transferor of the relevant 'E' Shares to the proposed transferee thereof.

9.4 Refusal to register

If the Board refuses 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 notice of refusal.

9.5 No fee

No fee shall be charged for the registration of an instrument of transfer or other document relating to or affecting the title to any share.

9.6 Return of instrument of transfer

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of refusal is given.

10. **Transfer of 'A' Shares**

10.1 **Pre-emption**

Save in respect of a transfer to an Associated Company any person (hereinafter called "the proposing transferor") proposing to transfer any 'A' Shares shall give notice in writing (hereinafter called a "transfer notice") to the Company that he desires to transfer the same. A transfer notice shall also be required for the proposing transferor's proportionate holding of the 'E' Shares that is equal to the proportionate holding of the 'A' Shares the proposing transferor proposes to sell. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of the shares comprised in the transfer notice. The price per 'E' Share shall be valued on the basis of the latest valuation carried out by the Company on 30 April in each year and in accordance with Article 11.

10.2 **Procedure**

Subject to complying with Article 10.11, the shares comprised in any transfer notice shall be offered first to the Shareholders by the Company as agent for the proposing transferor. Such offer shall be made by notice in writing (hereinafter called "the offer notice") within seven calendar days after the receipt by the Company of the transfer notice. The offer notice shall:

- (A) state the identity of the proposing transferor, the number of shares comprised in the transfer notice and the minimum price (if any) per 'A' Share specified in the transfer notice or, as the case may be, the price per 'E' Share determined by reference to the last valuation carried out by the Company for the 'E' Shares (in each case, the "Transfer Price");
- (B) contain a statement to the effect that any Shareholder can indicate how many shares and (provided it is equal to or in excess of any minimum price) at what price(s) such Shareholder will be prepared to purchase some or all of the shares the subject of the transfer notice;
- (C) contain a statement that in addition to any 'A' Shares purchased, a transferee will be required to purchase the relevant number of 'E' Shares in the transfer notice at the predetermined valuation;
- (D) state the period in which the offer may be accepted (not being less than twenty-two calendar days or more than forty-two calendar days after the date of the offer notice);
- (E) state that the proposing transferor shall have an absolute discretion as to whether to proceed with the transfer of the shares which are the subject of the relevant transfer notice; and
- (F) state that no Shareholder can bid to acquire shares if such shares would together with the shares already held by such Shareholder result in such Shareholder holding in excess of the limit set out in Article 10.11; and

the Company shall notify each of the Shareholders in the value of any bids accepted and the highest bid received if different but not of the identity of the bidders.

10.3 Acceptance

- (A) If, following compliance with the procedure set out in Article 10.2, the proposing transferor decides to proceed with the transfer of the relevant shares:
- (1) the transferor shall be required to accept the highest offer made by a Shareholder to acquire the shares provided that such price is equal to (or higher than) the Transfer Price; or
 - (2) if two or more offers are received from Shareholders at the same price per share and such price is the highest price offered by any of the Shareholders and is equal to (or higher than) the Transfer Price, the relevant shares shall be transferred to the respective Shareholders pro rata to their existing holdings of the relevant class of shares (subject to fractions).
- (B) For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance by the proposing transferor is received by the Company.

10.4 Sale notice

If acceptance by the proposing transferor shall be received of a Shareholder's bid for all or some of the shares comprised in the transfer notice within the appropriate period specified in Article 10.2, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called the "sale notice") to the proposing transferee specifying the price(s) and the number of shares to be purchased and the proposing transferor shall be bound upon payment of the price due in respect of all or some of the shares comprised in the transfer notice to transfer the shares to the purchasing Shareholder or Shareholders.

10.5 Default in transfer

If in any case the proposing transferor after having become bound as aforesaid defaults in transferring any shares the Company may receive the purchase money on his behalf, and may authorise any person to execute a transfer of such shares on behalf of and as attorney for the proposing transferor in favour of the purchasing Shareholder or Shareholders. The receipt of the Company of the purchase money shall be a good discharge to the purchasing Shareholders. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor.

10.6 Sale to third party

If, at the expiry of the period for acceptance of the offer referred to in Article 10.2(D), the transferor has not accepted any offer for all or part of the shares offered (the "Sale Shares"), the transferor may, acting bona fides, offer the Sale Shares to a third party, providing that before the relevant third party acquires Sale Shares, those shares must first be offered again to the existing Shareholders, on the same terms as the proposed transfer to the third party (the "Second Offer").

10.7 Form of Second Offer

The Second Offer shall be made by notice in writing and shall include the information listed in Article 10.2(A) to 10.2(D) and 10.2(F).

10.8 Remaining Shares

If, at the expiry of the period for acceptance of the Second Offer (the "Expiry Date") some or all of the transferor's shares have not been purchased by the Shareholders (the "Remaining Shares"), the transferor may, within three months of the Expiry Date, transfer some or all of the Remaining Shares to any person on the same terms as were offered to the Shareholders (and at the price specified in the relevant transfer notice) provided that such a transfer shall not be permitted where the relevant transferor has declined to transfer shares to a Shareholder on the same terms.

10.9 Information

The Board may, by notice in writing, require, in relation to any past transfer (being, for these purposes, any transfer at any time within the period of three months immediately preceding such notice), or proposed transfer, of shares, the relevant transferor or transferee to disclose to the Company in writing and as soon as practicable (and, in any event, within 10 days of receipt by such person of such notice) all such information as the Board may reasonably require in order to determine whether the provisions of this Article 10 have been, or are being, complied with.

10.10 Other transfers

- (A) Any transfer or purported transfer of a share made otherwise than in accordance with the foregoing provisions of this Article 10 inclusive shall be null and void and of no effect.
- (B) If the Board forms the view that a transfer has been made otherwise than in accordance with this Article 10 it may, by notice in writing, require the holder of any shares so transferred (the "Restricted Holder") to seek to dispose of some or all of such shares in accordance with the transfer mechanism set out in this Article 10 at the price which it paid for the relevant shares. Pending such transfer, the Restricted Holder shall not be entitled to attend or vote at any general meeting of the Company or any meeting of any class of shares in the Company, or to exercise any other right conferred by membership of the Company and any dividend payable in respect of such shares shall be withheld by the Company.
- (C) If a Restricted Holder does not dispose of the relevant shares within 60 days of the notice referred to in Article 10.10(B), the Board may dispose of the Restricted Holder's Shares (a "Required Disposal"). The Restricted Holder shall be deemed irrevocably and unconditionally to have authorised the Board to make the Required Disposal as its attorney. The Required Disposal shall be made in accordance with this Article 10 and shall be at the price paid by the Restricted Holder for the relevant shares, unless the Board cannot reasonably obtain such price, in which case it shall be at the best price reasonably obtainable.
- (D) An instrument of transfer executed by any Director shall be as effective as if it had been executed by the Restricted Holder and the title of any transferee shall not be affected by any irregularity or invalidity in the proceedings relating to such transfer.

10.11 Limitation on shareholding

No Shareholder shall be entitled to hold more than 15% of the 'A' Shares in issue.

10.12 Acquisition by existing Shareholder

Should a Shareholder be interested in acquiring any 'A' Shares such Shareholder shall be entitled to notify the Chief Executive Officer of such interest and the Chief Executive Officer shall instruct the Company Secretary to notify all the Shareholders (including providing additional information regarding price and number of shares at the discretion of the Shareholder).

10.13 Transfer to Associated Company

Nothing in these Articles shall prevent the transfer of Shares by a Shareholder to an Associated Company.

11. Transfer of 'E' Shares

11.1 General

Save in respect of a transfer to an Associated Company and subject to the provisions of Article 11.4, on a proposed transfer of any 'E' Shares, the holders thereof must, unless the Company shall with unanimous shareholder consent, otherwise direct, offer the 'E' Shares held by them first to such person(s) as the Directors shall nominate, such nomination to be made by the Directors within 30 days of receipt of notice of the transfer of the said 'E' Shares. The offer itself shall be made by notice specifying the number of shares offered and limiting a period (not being less than 30 days) within which the offer, if not accepted, would be deemed to be declined. The 'E' Shares shall be transferred at a price per share calculated according to the following valuation formula:

$$10\% \times (\text{Market Value as defined by the Free Cash Flow Model} - £59,000.000)$$

$$\text{authorised share capital of 'E' Shares} \times 100$$

provided always that, if, following the date on which these Articles are adopted by the Company, the authorised share capital of the 'E' Shares is increased to beyond £40,000 the numerator in the above formula (being 10%) shall be deemed to be similarly increased by the same percentage as that by which the authorised share capital of the 'E' Shares has been increased.

11.2 Declined shares

Any 'E' Shares deemed to be declined by the person(s) nominated by the Directors shall be deemed to be accepted by the Employee Share Trust, in like terms and in the same manner as the offer to the person(s) nominated by the Directors.

11.3 Free Cash Flow Model

For the purposes of the valuation formula contained in this Article 11.1, the "Free Cash Flow Model" shall be the discounted cash flow methodology used to determine the market value of the Company (as the same shall be carried out by the Company's auditors or other appropriate advisors using inter alia the Company's five year financial projections and estimates of the Company's prospects thereafter including the rate of growth in volumes and prices and a market WACC (as defined below) which the auditors or other appropriate advisors shall determine). In the event that the Company's auditors or other appropriate advisors have not had an opportunity to prepare an updated Free Cash Flow Model at the time such a valuation is required, the Free Cash Flow Model shall, for the

purposes of such valuation, be the last Free Cash Flow Model (as prepared by the Company's auditors or other appropriate advisors) so prepared as adjusted by the Directors in such manner as they feel necessary to reflect any changes in the performance of the business of the Company in the intervening period. To determine the market value as aforesaid, the cashflows to the business after relevant tax but before interest ("the free cashflows") shall be discounted at the weighted average cost of capital ("WACC") to derive their net present value ("NPV"). The NPV is the value of the business (the "enterprise value"). The market value of the debt net of any non-operating cash balances shall be subtracted from or (to the extent that such cash balances exceed the amount of the debt) added to the enterprise value and any assets (other than cash balances) not used in the business less any liabilities the settlement of which are not reflected in the operating cashflows shall be added to the enterprise value (or deducted to the extent that the amount of such liabilities exceeds the amount of the assets) to derive the equity value which shall, for the purposes of this Article 11, be the total value of the Company's issued share capital. This valuation shall not take account of the fact that at the relevant valuation date a Shareholder may have lost its voting rights for any reason nor shall the valuation attribute any discount to the valuation for minority shareholdings.

11.4 Cessation of employment

If at any time an employee or director of the Company who is a holder of 'E' Shares shall cease (for whatever reason) to be an employee or director of the Company or if any ex-employee or ex-director of the Company holding any options to acquire 'E' Shares exercises those options and in so doing becomes a holder of 'E' Shares, there shall be deemed to have been made on the day of such cessation of employment or exercise of option (as applicable) an offer of those 'E' Shares so held (or then so held as a result of the option(s) being exercised) to the Employee Share Trust in which case the provisions of this Article 11 shall apply in respect of the deemed acceptance by the Employee Share Trust of the 'E' Shares held by him or by his legal personal representative.

12. Transmission of shares

Shares may not be transmitted.

13. Stock

13.1 General

The Company may from time to time by ordinary resolution convert any paid up shares into stock and may re-convert any stock into paid up shares of any denomination.

13.2 Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum but the minimum shall not exceed the nominal amount of the share from which the stock arose.

13.3 Rights of holders of stock

The holders of stock shall, according to the amount of the stock held by them, have the same rights, as regards dividends, participation in assets on a reduction of capital or

winding up, attendance and voting at meetings and other matters as if they held the shares from which the stock arose, but no such right (except participation in the dividends and in assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

13.4 Interpretation

All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" herein shall include "stock" and "stockholder" respectively.

14. Alteration of capital

14.1 Increase of share capital

The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

14.2 Effect of increase

The new shares shall be subject to all the provisions of these Articles with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise.

14.3 Consolidation, division and cancellation of share capital

The Company may from time to time by ordinary resolution:

- (A) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (B) sub-divide its shares or any of them into shares of smaller amounts than its existing shares (subject, nevertheless, to the provisions of the Act) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares; and
- (C) cancel any 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.

14.4 Reduction of share capital

The Company may from time to time by special resolution reduce its share capital or any capital redemption reserve or any share premium account in any manner and with and subject to any incident authorised and consent required by law.

15. **General meetings**

15.1 **General**

The Board shall convene and the Company shall hold general meetings and annual general meetings in accordance with the requirements of the Act at such times and places as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

15.2 **Extraordinary general meetings**

The Board may, whenever it thinks fit, convene an extraordinary general meeting.

16. **Notice of general meetings**

16.1 **Form and timing**

An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Except as otherwise provided in these Articles, every Shareholder shall have the right to attend and vote at general meetings of the Company and notice of every general meeting shall be given in the manner hereinafter mentioned to all Shareholders and also to the Auditors.

16.2 **Consent to short notice**

A general meeting shall, notwithstanding that it is called by shorter notice than that specified in the preceding article, be deemed to have been duly called if it is so agreed:

- (A) in the case of an annual general meeting, by all the Shareholders entitled to attend and vote thereat;
- (B) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the issued shares giving that right.

16.3 **Failure to give notice**

The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

17. Proceedings at general meetings

17.1 Special business

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:

- (A) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and of the Auditors and any other documents required to be annexed to the accounts;
- (B) the appointment of Auditors where special notice of the resolution for such appointment is not required by the Act, and
- (C) the fixing of, or the determination of the method of fixing, the remuneration of the Directors and the Auditors.

17.2 Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, a quorum at any meeting or any adjourned meeting of the company shall be three or more Shareholders present in person or by proxy and entitled to attend and to vote provided that (save as aforesaid) during any time when the Company shall have less than three Shareholders the quorum shall be two such Shareholders. A corporation being a Shareholder shall be deemed for the purpose of these Articles to be present in person if represented in accordance with the provisions of the Act.

17.3 Absence of quorum

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved in any other case it shall stand adjourned to such other day (not being less than 14 nor more than 28 days thereafter) and at such other time or place as the chairman of the meeting may determine. The Company shall give not less than seven days' notice in writing of any meeting adjourned through want of a quorum.

17.4 Right to speak

Each Director shall be entitled to attend and speak at any general meeting of the Company. The chairman of the meeting may invite any person (whether a Shareholder or not) to attend the whole or any part of such general meeting and to speak at the same if he considers such person able to assist in discussions at the meeting by reason of knowledge or experience of the Company's business.

17.5 Chairman

The chairman, if any, of the Board, or in his absence, a deputy chairman, if any, shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present

within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote shall elect one of their number to be chairman.

17.6 Effect of resolution on Shareholder

At or before any general meeting, any Shareholder entitled to attend and vote thereat shall be entitled to declare by notice in writing to the Company that any resolution which is or is to be discussed or proposed at such meeting, could, in its reasonable opinion, if passed, adversely affect the legality of the continued membership of such Shareholder, in which case such resolution shall not be discussed or proposed at such meeting provided that this article shall cease to have effect as regards any resolution, if a court has declared that such resolution would not, if passed adversely affect the legality of the continued membership of any Shareholder.

17.7 Adjournment of meeting

The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed at the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as expressly provided by these Articles it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17.8 Participation in meetings

A Shareholder may participate in any general meeting of the Company through a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting under this provision constitutes presence in person (including in relation to a Shareholder for the purposes of establishing a quorum) at that meeting.

18. Voting

18.1 General

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held, on a show of hands every Shareholder who is present in person at a general meeting of the Company shall have one vote, and on a poll every Shareholder who is present in person or by proxy shall have one vote, for every share of which he is the holder. The Company shall not be entitled to vote in respect of any shares which it holds in treasury.

18.2 Joint holders

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 others, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

18.3 Procedure

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or, on the withdrawal of any other demand for a poll) a poll is demanded by;

- (A) the chairman of the meeting; or
- (B) any Shareholder or Shareholders (being entitled to attend and vote thereat) present in person or by proxy.

18.4 Record of proceedings

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

18.5 Polls

- (A) If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded, even if the poll shall be carried out after the meeting.
- (B) 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 in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
- (C) 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 has been demanded, and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
- (D) On a poll votes may be given either personally or by proxy or, in the case of a corporate Shareholder, a duly authorised representative.

18.6 Chairman

The chairman of the meeting shall not have a second or casting vote.

18.7 Effect of illness

A Shareholder who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other persons may vote on a poll by proxy and may otherwise act and be treated as such Shareholder for the purposes of general meetings, provided that such evidence as the Board may

require of the authority of the person claiming to vote shall have been deposited at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment, or in either case any document sent therewith) or shall be sent by Electronic Communication to an address specified in the notice of meeting or any document sent therewith not less than forty-eight hours before the time appointed for holding the meeting or the taking of the poll at which it is desired to vote.

18.8 Written resolution

Subject to the provisions of the Act a resolution in writing expressed to be an ordinary, extraordinary or special resolution signed by or on behalf of all the Shareholders who would be entitled to vote on such resolution if it were to be proposed at a general meeting of the Company shall be as valid and effectual as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of several documents in the like form each signed by or on behalf of one or more of such Shareholders and/or Electronic Communications from one or more of them.

19. Proxies

19.1 General

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

19.2 Identity of proxy

A proxy need not be a Shareholder.

19.3 Appointment of proxy

An appointment of a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall:

- (A) in the case of an appointment contained in an instrument in writing, be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith); or
- (B) in the case of an appointment contained in an Electronic Communication, where an address has been specified in either the notice convening the meeting, or in any notice of any adjournment thereof or, in either case, any document sent with the notice, or in any invitation contained in an Electronic Communication inviting the appointment of a proxy, shall be delivered at that address,

in either case within:

- (1) 48 hours before the appointed time for the meeting or adjourned meeting at which the person named in the appointment proposes to vote, whether on a show of hands or a poll taken at or on the same day as the meeting or adjourned meeting; or

- (2) 24 hours before a poll which is taken after the day of the meeting or adjourned meeting.

19.4 Form of proxy

Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meetings forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

19.5 Validity of proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

19.6 Multiple forms of proxy

Where two or more but differing appointments of a proxy are delivered in respect of the same share for use at the same meeting then:

- (A) in the case of proxies contained in instruments in writing, the one which is last dated by the appointor (provided that date is or before the date of delivery but otherwise regardless of the actual date of execution or the date of delivery) shall be treated as replacing and revoking the others as regards that share, and if not all such instruments or proxy are so dated, or if any date is illegible as written or falls after the date of delivery, the one which is last delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the others as regards that share;
- (B) in the case of a proxies delivered by Electronic Communication, the one which is the last actually received shall be treated as replacing and revoking the others as regards that share; and
- (C) in the case of two or more but differing appointments of a proxy in respect of a share delivered both by instrument in writing and by Electronic Communication the one which is last delivered or actually received (determined as aforesaid) shall be treated as replacing and revoking the others as regards that share, except that where a proxy contained in an instrument in writing is dated prior to the day of actual receipt of a proxy delivered by Electronic Communication, but is delivered afterwards, the latter shall be taken to replace and revoke the former.

19.7 Right of appointing Shareholder to attend and vote

Delivery of a proxy shall not preclude a Shareholder from attending and voting in person at the meeting or poll concerned.

19.8 Lapse of proxy

No proxy shall be valid after the expiration of 12 months from its stated date of execution or delivery by Electronic Communication.

20. Corporations acting by representatives at meetings

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

21. Appointment and removal of Directors

21.1 Minimum number of Directors

The Board shall comprise:

- (A) three executive directors, namely the Chief Executive, the Commercial Director and the Director of Planning and Business Development (collectively, the "Executive Directors");
- (B) eight non-executive directors appointed by Shareholders (collectively, the "Shareholder Directors");
- (C) the Chairman; and
- (D) an independent non-executive Director (the "Independent Non-executive Director").

Each of the Directors shall be appointed in the manner described in Article 21.2.

21.2 Appointment of Directors

- (A) In relation to the Shareholder Directors, a list of candidates (who shall each have been proposed by an 'A' Shareholder) shall be sent by the Company Secretary to all 'A' Shareholders. Each of the 'A' Shareholders, for so long as they remain a Shareholder and any shareholders' agreement relating to the Company has not been terminated in relation to them, shall have the right to vote for the appointment of one Director, including the right to vote for a candidate proposed by it. Having voted the 'A' Shareholder shall not be entitled to vote again on the appointment of any other Shareholder Director. The Shareholder Directors shall comprise the eight candidates who receive the highest numbers of votes. For the avoidance of doubt, on such a resolution each 'A' Shareholder shall (in accordance with Article 18) have one vote for every 'A' Share of which he is the holder.
- (B) Subject to Article 21.2(D), if, at any time, fewer than eight Shareholder Directors are appointed to the Board, a list of candidates to fill the relevant vacancy(ies) (who shall each have been proposed by an 'A' Shareholder) shall be sent by the Company Secretary to all 'A' Shareholders. Each of the 'A' Shareholders, for so long as they remain a Shareholder and any shareholders' agreement in relation to the Company has not been terminated in relation to them, shall (provided that such person has not previously voted for the appointment of any other current Shareholder Director) have the right to vote for the appointment of one Director,

even where such Director is a candidate proposed by it. For the avoidance of doubt, on such a resolution each 'A' Shareholder shall (in accordance with Article 18) have one vote for every 'A' Share of which he is the holder. Having voted the 'A' Shareholder shall not be entitled to vote again on the appointment of any other Shareholder Director. The vacancy(ies) shall be filled by the candidate(s) who receive the highest numbers of votes.

- (C) The list of candidates (the "List") sent pursuant to Article 21.2(A) and 21.2(B) shall be sent in accordance with Article 36. Each List shall be accompanied by a voting card setting out the procedure for a Shareholder to register their vote. The time limit for registering a vote shall be 21 days from deemed receipt by the Shareholder of the List.
- (D) A Shareholder Director may be replaced from time to time by notice in writing to the Company, signed by all of those 'A' Shareholders (in terms of shares held) who voted for his appointment pursuant to Article 21.2(A) provided that:
 - (1) the Shareholder who employs that Shareholder Director shall not be required to sign such notice where the reason for the proposed replacement relates to the alleged failure by the relevant Shareholder Director to represent the interests of all Shareholders; and
 - (2) in the case of a vacancy, a new Shareholder Director shall be appointed within 21 days from deemed receipt by the 'A' Shareholders of notice that such a vacancy has arisen. If no new Shareholder Director is appointed during this time in accordance with this Article 21.2(D), a new Shareholder Director shall be appointed in accordance with Article 21.2(B).
- (E) The Board shall have the power to appoint and remove the Chief Executive.
- (F) Subject to Article 21.2(E) and to Article 21.3(B), the Chief Executive shall have the power to appoint all Directors other than the Shareholder Directors.
- (G) Subject to Article 21.1, the Company may by ordinary resolution appoint all Directors (other than the Shareholder Directors) to fill a casual vacancy (and including, for these purposes, the Executive Directors, the Chairman and the Independent Non-executive Director).

21.3 Retirement of Directors

- (A) All Shareholder Directors shall be required to retire at each annual general meeting of the Company. Each Shareholder Director shall then be eligible for re-appointment. The Company shall fill the vacated offices by the procedure set out in Article 21.2(A).
- (B) The Chief Executive appointed in accordance with Article 21.2(E) and any Director appointed by the Chief Executive in accordance with Article 21.2(F) shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-appointment.
- (C) At every annual general meeting of the Company any Executive Directors appointed who did not retire at either of the two previous such meetings, shall retire. If the aggregate number of Executive Directors due to retire at any annual general meeting by virtue of Article 21.3(B) and this Article 21.3(C) exceeds or is

less than one-third of the total number of such Directors, the Board shall determine which Directors should retire so as to ensure that (as near as possible) one-third of the relevant Directors retire. Directors retiring pursuant to this Article 21.3(C) shall be eligible for re-appointment.

- (D) Any independent non-executive Director (including the Chairman and the Independent Non-executive Director) appointed by the Chief Executive in accordance with Article 21.2(F) (or by the Company in accordance with Article 21.2(G)) shall retire on a date determined by the Chief Executive, or if such date is later than the annual general meeting of the Company in the third year after their last appointment or no such determination is made, they shall retire at the annual general meeting of the Company in the third year after their last appointment. Directors retiring pursuant to this Article 21.3(D) shall be eligible for re-appointment.

21.4 Removal of Directors

The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the provisions of the Act, remove any Director before the expiration of his period of office (without prejudice to any claim for damages under any contract).

21.5 Qualification of Directors

A Director is not required to hold any qualification shares in the Company.

22. Disqualification of Directors

The office of a Director shall be vacated if:

- (A) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;
- (B) he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that his office is vacated;
- (C) he presents a petition for his own bankruptcy, he is adjudged bankrupt, he issues proposals to creditors for any arrangement or composition (whether as a voluntary arrangement under the Insolvency Act 1986 or otherwise) he makes any other arrangement or composition with creditors or he applies for an order for protection from his creditors;
- (D) he is prohibited by law from being a Director;
- (E) he ceases to be a Director by virtue of the Act or is removed from office pursuant to these Articles;
- (F) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director;
- (G) not being a Director appointed in accordance with Article 21.2(A), he is unable to act in the best interests of the Company due to a conflict of interest with the Company or a Shareholder; or if

(H) being a Director holding an executive office, he is dismissed from such office.

23. Alternate Directors

23.1 Right to appoint alternate Director

In exceptional circumstances only, where a Shareholder Director cannot attend a meeting of the Board the Shareholder Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate Director.

23.2 Appointment procedure

Any appointment or removal of an alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Company Secretary at least 48 hours prior to the relevant meeting.

23.3 Rights of alternate Director

An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.

23.4 Liability of alternate Director

Every person acting as an alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him.

23.5 Expenses

An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate Director.

23.6 Voting rights

Every person acting as an alternate Director shall have one vote for each 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 Board or committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

23.7 Retirement of Directors

An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that if any Director retires but is subsequently re-appointed, an appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

24. Directors' remuneration and expenses

The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. Each Director shall also be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director.

25. Directors' interests

25.1 Disclosure of interests

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Board in accordance with Section 317 of the Act.

25.2 Voting rights

Unless otherwise agreed by the Board, a Director shall not be entitled to vote in respect of any matter in respect of which he has a conflict of interest and his vote shall not be counted and he shall not be taken into account in ascertaining whether a quorum is present nor shall he be entitled to participate in any discussion in relation to that matter.

25.3 Right to hold other offices and to receive remuneration

- (A) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (B) A Director may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested and shall not be liable to account to the Company or the Shareholders for any remuneration, profit or other benefit received by him as a Director or officer of or from his interest to such other company.

25.4 Contracting with the Company

Subject to the Act and to Article 25.1, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser, or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Shareholders for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

26. **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) of the Company and subject to the Act, to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company, or of any third party.

27. **Powers and duties of the Board**

27.1 **General**

Unless otherwise agreed by the Shareholders, the business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

27.2 **Appointment of attorney**

The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

27.3 **Appointment of Directors to executive positions**

The Board may from time to time appoint one or more of its body to be the holder, of any executive office for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. The appointment of any Director to any executive office as aforesaid shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim which either party may have for damages for breach of any contract of service between the Executive Director and the Company.

27.4 **Right to remuneration**

An Executive Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

27.5 Delegation

The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

27.6 Seal

The Company may exercise all the powers conferred by the Act with regard to having official seals and such powers shall be vested in the Board.

27.7 Execution of instruments

All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

27.8 Records of proceedings

The Board shall cause minutes or records to be made in books provided for the purpose:

- (A) of all appointments of officers made by the Board;
- (B) of the names of the Directors present at each meeting of the Board or committee of the Board; and
- (C) of all resolutions and proceedings at all meetings of the Company and of the Board and of any committee of the Board.

27.9 Benefits

- (A) The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director.
- (B) A Director or former Director shall not be accountable to the Company or the Shareholders for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director.
- (C) The Board may by resolution exercise any power conferred by the Act to make a provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

28. Proceedings of the Board

28.1 General

Subject as hereinafter provided, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

28.2 Voting rights

Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have a second or casting vote.

28.3 Convening meetings

A Director may, and the secretary on the requisition of a Director shall, at any time summon a Board meeting.

28.4 Effect of resolution on Shareholders

At or before any meeting of the Board any Director shall be entitled to declare by notice in writing to the Board that any resolution which is or is to be discussed or proposed at such meeting could, in his reasonable opinion, if passed, adversely affect the legality of the continued membership of a Shareholder who has appointed such Director, in which case such resolution shall not be discussed or proposed at such meeting provided that this Article 28 shall cease to have effect as regards any resolution if a Court has declared that such resolution would not, if passed, adversely affect the legality of the continued membership of any Shareholder.

28.5 Notice of meetings

(A) Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or sent in writing to him at his last known address or any other address given by him to the Company for this purpose or by Electronic Communications to an address for the time being notified to the Company by the Director. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

(B) Directors shall generally be given seven days notice of a Board meeting but may, where the circumstances so require, be less if the Chairman (or, in his absence, the Chief Executive) so determines.

28.6 Quorum

The quorum necessary for the transaction of any business of the Board shall be six or more Directors present in person and entitled to vote and shall comprise one Executive Director, the Chairman or the Independent Non-executive Director and four Shareholder Directors provided that during any time when there shall be less than five Shareholders and save as otherwise provided in these Articles the quorum shall be two such Directors and provided that there shall never be a minority of Shareholder Directors at any meeting

of the Board. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of the Directors would not be present.

28.7 Absence of quorum

If, within fifteen minutes (or such longer time as the Directors present may agree to wait) from the time appointed for any meeting of the Board, a quorum is not present, the meeting shall be dissolved.

28.8 Effect of vacancy

The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of summoning general meetings of the Company but not for any other purpose.

28.9 Chairman

The Board shall elect a chairman (being the person duly nominated in accordance with these Articles) for such period as it shall decide and may elect one or more deputy chairmen of its meetings. If no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the same, the Directors present may by majority vote choose one of their number to be chairman of the meeting.

28.10 Powers of Board

A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

28.11 Form of meeting

A Director may participate in a meeting of the Board or a committee of the Board of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting. A meeting of the Board or of a committee of the Board to which this Article 28 applies shall be deemed to take place where the majority of those participating are assembled or, if there is no majority, at the place where the chairman of the meeting is present.

28.12 Appointment of committees

The Board may delegate such of its powers, authorities or discretions (with power to sub-delegate) as it may think fit to committees consisting of one or more members of the Board and (if thought fit) one or more other persons co-opted as hereinafter provided. The powers, authorities or discretions so delegated shall include, without limitation, all powers, authorities or discretions which relate, or may relate, to the payment of remuneration to or the conferring of any other benefit on, any member of the Board or persons co-opted to

any committee of the Board, as hereinafter provided. Any committee so formed shall, in the exercise of the powers, authorities or discretions so delegated, conform to any regulations that may from time to time be imposed by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members in the committee but so that:

- (A) the number of co-opted members shall be less than one-half of the total number of members in the committee;
- (B) no resolution of the committee shall be effective unless a majority of the members in the committee present at the meeting are Directors; and
- (C) the chairman of each committee shall be a Director and in the case of any equality of votes the chairman of the committee shall have a second or casting vote.

Insofar as any power, authority or discretion is delegated to a committee in accordance with this Article, any reference in these Articles to the exercise by the Board of the power, authority or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee.

28.13 Scope of power to delegate

The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally. It shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

28.14 Meetings of committees of the Board

The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable.

28.15 Written resolution

A resolution in writing signed or approved by letter, facsimile or other form of Electronic Communication by everyone entitled to receive written notice of a meeting of Directors and to vote at it shall be as valid and effective as if it had been passed at a meeting of the Board or, as the case may be, of such committee duly convened and held. The resolution may consist of several documents in the like form each signed by one or more such persons and/or Electronic Communications from one or more such persons.

29. Secretary

29.1 Appointment

The secretary shall be appointed by the Board at such remuneration and upon such conditions as the Board may think fit.

29.2 Absence of secretary

Anything required or authorised by the Act to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary available to act or capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting by or to any officer of the Company authorised generally or specially in that behalf by the Board.

29.3 Power of secretary

A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

30. Seals

30.1 Custody of Seal

The Board shall provide for the custody of every Seal.

30.2 Use of Seal

- (A) A Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf.
- (B) Subject as otherwise provided in these Articles, any instrument to which the common Seal is affixed shall be signed by a Director and countersigned by the secretary or by a second Director or some other officer appointed for the purpose.

30.3 Execution of deeds and other documents

A document signed by a Director and by the Secretary or another Director and expressed in whatever form of words to be executed by the Company shall have the same effect as if it was under seal. A document executed in this way which makes it clear on its face that it is intended to be a deed in whatever form of words has the same effect as a deed.

31. Dividends

31.1 General

The Company in general meeting may from time to time declare dividends to be paid to the Shareholders according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board or otherwise than in accordance with the provisions of the Act.

31.2 Entitlement to participate in dividend

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro rata according 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 be issued on terms providing that it shall rank for dividend as from a particular date

for all dividends declared after a particular date such share shall rank for dividend accordingly.

31.3 Interim and fixed dividends

Subject to the provisions of the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company and may also pay the fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course.

31.4 Set-off of sums in respect of calls, etc

The Board may deduct from any dividend payable to any Shareholder all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

31.5 Interest

No dividend shall bear interest against the Company.

31.6 Payment of dividends

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the Register in respect of the shares or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the registered holder, or in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk.

31.7 Joint holders

Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.

31.8 Dividend in specie

Any general meeting declaring a dividend may, upon the recommendation of the Board, *direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may fix the value for distribution of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order to secure equality of distribution.*

31.9 No trustee

The payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

31.10 Forfeiture of dividends

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

32. Reserves

32.1 General

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments permitted by law as the Board may from time to time think fit. The Board may also without placing the same to reserve, carry forward any profits which it may think prudent not to pay to Shareholders by way of dividend.

32.2 Premiums and reserves

The Board shall transfer to share premium account as required by the Act sums equal to the amount or value of any premiums at which shares of the Company may be issued, and such other sums (if any) as the Act require so to be transferred. Subject to the provisions of the Act the provisions of these Articles relating to reserves shall be applicable to the sum for the time being standing to the credit of share premium account.

33. Capitalisation of profits

33.1 Capitalisation of reserves

The Company may, upon the recommendation of the Board, by ordinary resolution resolve that it is desirable to capitalise any sum placed or reserve standing to the credit of any specific reserve account of the Company (including, without prejudice to the generality of the foregoing, share premium account and capital redemption reserve) or any sum standing to the credit of the profit and loss account and whether or not such sum is available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative or non-cumulative preferential dividend, and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the 'A' Shareholders in proportion to the number of shares held by them and to apply such sum on their behalf in paying up in full unissued shares of the Company of a nominal amount equal to such sum, such shares to be allotted and distributed, credited as fully paid up, to and amongst such holders in the proportion aforesaid.

33.2 Power of Board in relation to distribution

Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or may ignore fractions altogether, and may determine that cash payments shall be made to any 'A' Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract requisite or convenient for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

34. **Accounting records**

34.1 **General**

The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions in accordance with the Act.

34.2 **Right to inspect records**

The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No Shareholder (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.

34.3 **Annual accounts**

A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the Auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Act.

35. **Audits**

Auditors shall be appointed and their duties regulated in accordance with the Act.

36. **Service of notice and other documents**

36.1 **Form of notice**

Any notice or other document may be served on or delivered to any Shareholder by the Company either:

- (A) personally;
- (B) by sending it through the post in a first-class pre-paid letter addressed to such Shareholder at his registered address as appearing in the Register;
- (C) by delivering it to or leaving it at such a registered address addressed as aforesaid; or
- (D) by Electronic Communication to an address for the time being notified for that purpose to the Company by the Shareholder.

36.2 **Joint holders**

In the case of joint holders of a share, all notices shall, unless such holders otherwise in writing direct, be given to that one of the joint holders whose name stands first on the Register and notice so given shall be sufficient notice to all the joint holders.

36.3 **Address for service**

Any Shareholder described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served on him at such address, but save as aforesaid no Shareholder other than a Shareholder described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

36.4 **Timing of service or delay**

- (A) Any such notice or other document, if sent by first-class pre-paid post, shall be deemed to have been served or delivered two Business Days after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.
- (B) Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- (C) Any notice contained in an Electronic Communication shall be deemed to have been served two Business Days after it was sent, and proof that a notice contained in an Electronic Communication was sent in accordance with guidance from time to time by the Institute of Chartered Secretaries and Administrators is conclusive evidence that the notice was given.

37. **Winding up**

If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution, divide among the Shareholders according to their rights on a winding-up in specie or kind the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction, shall think fit.

38. **Insurance and indemnity**

38.1 **Insurance**

Without prejudice to the provisions of Article 38.2, the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

38.2 Indemnity

- (A) Without prejudice to any indemnity to which any person referred to in this Article 38.2 may otherwise be entitled, every present and former Director, Alternate Director, Secretary or other officer of the Company (excluding any present or former Auditors) (an "Indemnified Person") shall be indemnified by the Company against all liabilities, costs, charges and expenses incurred by him in the execution and discharge of his duties to the Company and any Associated Company, including any liability incurred by any Indemnified Person in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to be done or omitted by him as an officer or employee of the Company or an Associated Company provided that such indemnity shall not extend to any liability arising out of the fraud or dishonesty of the relevant Indemnified Person (or the obtaining of any personal profit or advantage to which the relevant Indemnified Person was not entitled) and no Indemnified Person, Director or Alternate Director shall be entitled to be indemnified for:
- (1) any liability incurred by him to the Company or any Associated Company;
 - (2) any fine imposed in any criminal proceedings;
 - (3) any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
 - (4) any amount for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
 - (5) any amount for which he has become liable in defending any civil proceedings brought by the Company or any Associated Company in which a final judgment has been given against him; and
 - (6) any amount for which he has become liable in connection with any application under Sections 144(3) or (4) or 727 of the Act in which the court refuses to grant him relief and such refusal has become final.
- (B) The Company may provide funds (either directly or indirectly) to any Indemnified Person to meet expenditure incurred or to be incurred by him in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company or any Associated Company, provided that he will be obliged to repay such amount no later than:
- (1) in the event that he is convicted in proceedings, the date when the conviction becomes final;
 - (2) in the event of judgment being given against him in proceedings, the date when the judgment becomes final (except that such amount need not be repaid to the extent that the expenditure is recoverable under a valid indemnity given to him by the Company); or
 - (3) in the event that the court refuses to grant him relief on any application under Sections 144(3) or (4) or 727 of the Act the date when the refusal becomes final.

39. **Waiver**

The provisions of these Articles may be waived in any particular case if all the Shareholders give their consent in writing.

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