

**THE COMPANIES ACT 1985**

**WRITTEN RESOLUTIONS**

of

**CHANCELLOR CARE HOMES LIMITED**

Passed on *22 July* 2003

**WRITTEN RESOLUTIONS**

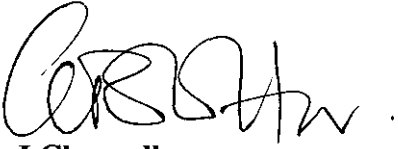
We, the undersigned, being all the members of the above named Company with the right to vote at general meetings, hereby resolve and agree that the following resolutions shall take effect as special resolutions:

- 1 That new Articles of Association be adopted in the form annexed to these resolutions.
- 2 That 140 of the ordinary shares of £1 in the authorised share capital of the Company comprising all 112 of the issued ordinary shares of £1 and 28 of the unissued ordinary shares of £1 in the capital of the Company each be subdivided into 100 shares of £0.01p each.
- 3 That the directors of the Company are hereby generally and unconditionally authorised in accordance with section 80(1) Companies Act 1985 to exercise for a period of three months from the date of the passing of this resolution all the powers of the Company to allot and issue 2,800 ordinary shares of £0.01p each in the capital of the Company but that subject thereto any previous authority under section 80(1) be cancelled.
- 4 That notwithstanding section 89 Companies Act 1985 and any provisions in the Articles of Association of the Company the directors are hereby authorised to allot and issue ordinary shares of £0.01p as shown below and otherwise at such price in excess of par value and on such terms as they shall think fit:

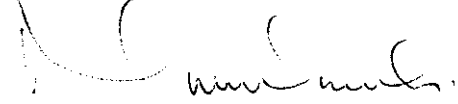
<u>Name of Allottee</u>	<u>No of ordinary shares of £0.01p</u>
David Prior	856
Andrew Breeze	856
Katherine Yarbo	232
Simon Barker	856



- 5 • That the 75,000 authorised but unissued preference shares of £1 and the 99,860 authorised but unissued ordinary shares of £1 in the capital of the Company be cancelled thereby reducing the authorised share capital of the Company to £25,140 comprising 25,000 preference shares of £1 each and 14,000 ordinary shares of £0.01p each.



A J Chancellor



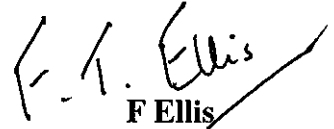
M A Bilecki



J Ellis



C M Feavers

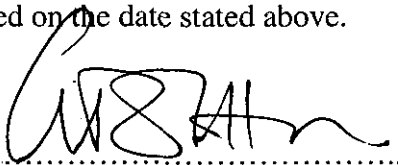


F Ellis



J C Chancellor

I hereby certify that the foregoing is a true copy of the written resolutions of the Company passed on the date stated above.



Director/Secretary

22 JULY 2003

**THE COMPANIES ACT 1985**

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**CHANCELLOR CARE LIMITED<sup>1</sup>**

Company number: 3670039

(Adopted by special resolution passed on 22 July 2003)

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**1 Definitions**

- 1.1 In these Articles the following words and phrases have the meanings set out opposite them below:

<b>“the Act”</b>	means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
<b>“Connected Persons”</b>	as defined by section 839 Income and Corporation Taxes Act 1988;
<b>“a Controlling Interest”</b>	means an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 70% or more of the total voting rights conferred by all the issued shares in that company;

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<sup>1</sup> The Company was incorporated as Chancellor Care Homes Limited on 18 November 1998 and the current name was adopted on July 2003.

**“Family Company”**

means in relation to any individual member, a company in which that member and his Privileged Relations hold 50% or more of the equity share capital;

**“Family Trust”**

means a trust which only permits the settled property or the income therefrom to be applied for the benefit of:

- the settlor and/or a Privileged Relation of that settlor; or
- any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except any such charity or charities);

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition “settlor” includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

**“Independent Expert”**

means an accountant, valuer or umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales;

**“Original Members”**

means persons who were or who became holders of Ordinary Shares in the capital of the Company on 1 June 2003;

**“Privileged Relations”**

means the spouse or widow or widower of the member and the member’s children and grandchildren (including step and adopted children and their issue) and step and adopted children of the members’ children;

**“Table A”**

means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendments) Regulations 1985.

- 1.2 In these Articles “persons” shall include companies and other bodies and the plural shall include the singular and vice versa.

## **2     Application of Table A**

- 2.1     The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 2.2     Regulations 50, 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

## **3     Share Capital**

- 3.1     The authorised share capital of the Company at the date of adoption of this Article is £25,140 divided into:

- (a)     14,000 ordinary shares of £0.01p each ("**Ordinary Shares**"); and
- (b)     25,000 redeemable cumulative preference shares of £1 each ("**Preference Shares**").

### **3.2     *Dividends***

- (a)     The profits of the Company available for distribution shall be used to pay dividends in the following order of priority:

- (i)     first, in paying to the holders of the Preference Shares a dividend ("**the Preference Dividend**") as follows:

Amount:                     9 pence per Preference Share per annum accruing from the date of subscription for the Preference Shares.

Payment Date:             yearly on 31 July in each year with the first payment to be made on 31 July 2003.

- (ii)    as to any balance in paying to the holders of the Ordinary Shares such amount as the directors may determine provided that the conditions in Article 3.2(b) are satisfied.
- (b)     No dividend shall be payable on the Ordinary Shares in respect of any financial year unless on the proposed payment date the following conditions are satisfied:
- (i)     all Preference Shares which have fallen due for redemption have been redeemed; and
  - (ii)    there are no dividends which have fallen due for payment on the Preference Shares and which remain unpaid.
- (c)     Every dividend shall be distributed to the appropriate shareholders pro rata according to the nominal value of the shares held by them respectively.

- (d) The Preference Dividend is cumulative and shall accrue on a daily basis.
- (e) All dividends are expressed net and shall be paid in cash.

### 3.3 *Return of capital*

- (a) On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:
  - (i) first in paying to the holders of the Preference Shares the sum of £1 per share together with a sum equal to any arrears and accruals of the Preference Dividend calculated down to the date of the return of capital; and
  - (ii) the balance of such assets shall be distributed amongst the holders of the Ordinary Shares in proportion to the nominal value of the Ordinary Shares held by them respectively.

### 3.4 *Redemption of Preference Shares*

- (a) Subject to the provisions of the Act the Preference Shares shall be redeemed on 31 December 2012.
- (b) The Company shall pay on each of the Preference Shares redeemed the sum of £1. At the same time it shall pay any arrears and accruals of the Preference Dividend calculated to the date of redemption. In the absence of any direction to the contrary by the holder of the relevant Preference Share any monies paid on redemption of such Share shall relate first to the said arrears and accruals of Preference Dividend. The Preference Dividend shall cease to accrue from the date of payment of the redemption monies.
- (c) Subject to the provisions of the Act the Company may redeem all or some of the Preference Shares in advance of the due date for redemption by notifying the holders of the Preference Shares of its intention so to do.
- (d) Subject to the provisions of the Act all of the Preference Shares shall be redeemed immediately prior to a Controlling Interest being obtained by any person for the purposes of Article 8.1 unless all the holders of the Preference Shares otherwise agree in writing or the acquirer(s) of such Controlling Interest shall also have completed the purchase of the Preference Shares for a price equal to the amount payable on redemption of such Preference Shares.
- (e) On the dates fixed for any redemption the Company shall pay to each registered holder of Preference Shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled. If any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder.

### 3.5 *Voting*

- (a) Shares in the Company shall carry votes as follows:

Ordinary Shares: one vote per share

Preference Shares: no votes.

- (b) The Preference Shares shall carry the right to receive notice of general meetings of the Company but not the right to attend such meetings.

### 3.6 *Class rights*

- (a) Whenever the capital of the Company is dividend into different classes of share the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of 75% of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the Preference Shares shall not be deemed to be varied by the creation, allotment or issue of additional Ordinary Shares beyond those authorised or in issue at the date of adoption of these articles.

## 4 **Unissued shares**

- 4.1 Section 89(1) of the Act shall regulate the allotment of equity securities in the Company.
- 4.2 The directors are authorised to exercise all powers of the Company to allot relevant securities, but only if the allotment otherwise conforms to the requirements of these Articles. The maximum nominal amount of relevant securities which may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of these Articles or such other amount as may from time to time be authorised by the Company in general meeting.
- 4.3 The authority conferred on the directors by this Article shall remain in force for a period of one year from the date of adoption of this Article but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act.

## 5 **Transfer of shares**

- 5.1 The directors shall refuse to register any transfer of shares which is not a permitted transfer under Article 6 or made in accordance with Article 7, 8 or 9 but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of share. For the purpose of ensuring that a particular transfer of share is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being

furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

## **6 Permitted transfers**

### **6.1 Notwithstanding any other provision in these Articles:**

- (a) any member may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any Ordinary Shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor;
- (b) any member holding Preference Shares may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any Preference Shares held by him to any other person;
- (c) any member may without transferring his Ordinary Shares hold the beneficial interest (but not the legal interest) in all or any of such Ordinary Shares for a company which is his Family Company provided that if such company ceases to be his Family Company the beneficial interest shall automatically revert to the member.

### **6.2 Where any Ordinary Shares are held by trustees upon a Family Trust:**

- (a) on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- (b) such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

### **6.3 Notwithstanding any other provisions of these Articles but without detracting from the requirements of Articles 8 and 9:**

- (a) a transfer of any Ordinary Shares approved by the holders of more than 80% of the Ordinary Shares may be made without restriction as to price or otherwise to any person;
- (b) any member holding Ordinary Shares may at any time transfer or enter into agreements or arrangements for the transfer (or by will bequeath or otherwise dispose of on death) all or any Ordinary Shares held by him to any other member holding Ordinary Shares provided that where such member is a trustee of a Family Trust he acquires the Ordinary Shares in that capacity.

### **6.4 If and whenever any Ordinary Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred. For the purposes of this sub-Article the expression "**relevant shares**"**



means and includes the Ordinary Shares originally transferred to the trustees and any additional Ordinary Shares issued or transferred to the trustees by virtue of the holding of the relevant Ordinary Shares or any of them.

## **7 Pre-emption rights**

- 7.1 Save as otherwise provided in these Articles every member who desires to transfer any Ordinary Shares (hereinafter called "**the Vendor**") shall give to the Company notice in writing of such desire (in these Articles called a "**Transfer Notice**"). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices shall constitute the Company the Vendor's agent for the sale of the Ordinary Shares specified therein (hereinafter called "**the Sale Shares**") in one or more lots at the discretion of the directors at the Sale Price.
- 7.2 The Sale Price shall be the price agreed between the Vendor and the directors for the shares comprised in the Sale Shares. If the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion the fair value thereof. In arriving at his opinion the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall be final and binding.
- 7.3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ("**a Total Transfer Condition**") that unless all the shares comprised therein are sold by the Company pursuant to this Article none shall be sold. Any such provision shall be binding on the Company.
- 7.4 If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels it in which case the Vendor shall bear the cost.
- 7.5 Once the Sale Price has been determined then unless the Vendor gives a valid notice of cancellation the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.
- 7.6 When Sale Shares become available they shall be offered as soon as reasonably practical and in any event within 14 days for sale by the Company to all holders of Ordinary Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Ordinary Shares held by such members. Any offer made by the Company

under this sub-Article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for 21 days ("**the First Offer Period**").

- 7.7 If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of Ordinary Shares held by the relevant members. This further offer will remain open for a further period of 21 days ("**the Second Offer Period**").

- 7.8 Subject to Article 7.3, if the Company finds a purchaser for all or, save where there is a Total Transfer Condition, any of the Sale Shares under the terms of this Article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them.

- 7.9 If the Company does not find purchasers for all of the Sale Shares under the terms of this Article the Vendor shall at any time within six months after the expiry of the Second Offer Period be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However, if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not part only.

- 7.10 Any purported transfer of shares otherwise than in accordance with the provision of these Articles shall be void and have no effect.

- 7.11 No Transfer Notice under Article 7.1 shall be given prior to the expiry of 3 years from the date of adoption of these Articles without the consent of holders of more than 80% of the Ordinary Shares. If during such 3 year period a Transfer Notice is deemed to have been given it shall only be effective at the end of such 3 year period unless the holders of more than 80% of the Ordinary Shares agree otherwise.

## **8 Transfer of control**

- 8.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 70% of the Ordinary Shares not held by or subject to a transfer in favour of the proposed acquirer (or persons acting in concert with such proposed acquirer) if, as a result of such sale or transfer and registration thereof, a Controlling Interest would be

obtained in the Company by a person or persons acting in concert who are not Original Members unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith on arm's length terms and has or have offered to purchase all the Ordinary Shares at the Specified Price (calculated as set out below).

8.2 In this Article the "**Specified Price**" means:

- (a) the arm's length consideration (in cash or otherwise) per Ordinary Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares being acquired; plus
- (b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other Ordinary Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable.

In the event of disagreement the calculation of the Specified Price shall be referred to an Independent Expert whose decision shall be final and binding.

8.3 In this Article the expressions "**transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment.

8.4 In this Article 8 and in Article 9 whether or not persons are acting in concert will be determined by the then most recent edition of the City Code on Takeovers and Mergers.

## **9 Drag along rights**

9.1 If the sale or transfer of the legal or beneficial interest in any Ordinary Shares in the Company is to be made and registered and as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by any person or persons acting in concert who are not Original Members, the intending acquirers of the Controlling Interest ("**the Acquirer**") may, by serving a notice ("**a Compulsory Purchase Notice**") on all the other holders of Ordinary Shares ("**the Minority Shareholders**"), require all the Minority Shareholders to sell their Ordinary Shares to the Acquirer or to such person as it may nominate at the Specified Price as defined in Article 8.2 save that if the price payable for the purposes of that definition is not an arm's length price then the Specified Price shall be the amount determined by the Independent Expert as would be payable on an arm's length transaction.

9.2 The Ordinary Shares subject to the Compulsory Purchase Notices shall be sold and purchased in accordance with the following terms:

- (a) the sale and purchase shall be conditional upon completion of the acquisition by the Acquirer of the Controlling Interest;
- (b) the completion date for the acquisition of the Controlling Interest shall be notified to the Minority Shareholders and on such date or as soon as practical

thereafter (and in any event within 14 days thereafter) the Minority Shareholders shall deliver stock transfer forms for their Ordinary Shares with the relevant share certificates to the Company. On the completion date or on such later date as the stock transfers shall be received, the Company shall pay the Minority Shareholders on behalf of the Acquirer the Specified Price to the extent that the Acquirer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge of the Acquirer. The Company shall hold the price in trust for the Minority Shareholders without any obligation to pay interest.

- 9.3 To the extent that the Acquirer has not, by the completion date, or if later the date on which the stock transfers are received, put the Company in funds to pay the Specified Price, the Minority Shareholders shall be entitled to the return of the stock transfer forms and share certificates for their shares and the Minority Shareholders shall have no further rights or obligations under Article 9 in respect of those shares.
- 9.4 If a Minority Shareholder fails to deliver stock transfer forms for his Ordinary Shares to the Company by the completion date, or within 14 days of such date the directors may authorise any director to transfer the shares concerned on the Minority Shareholder's behalf to the Acquirer to the extent the Acquirer has, by the completion date or if later the date on which the stock transfer is received, put the Company in funds to pay the Specified Price for such shares. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Minority Shareholder shall surrender his share certificate for the shares to the Company. On surrender, he shall be entitled to the Specified Price for such shares.
- 9.5 While Ordinary Shares are subject to transfer under this Article 9, they may not be transferred under any other Article.

## **10 Quorum at general meetings**

- 10.1 The quorum at any general meeting of the Company or adjourned general meeting shall be members (not being less than 2 in number) present in person or by proxy and who together shall hold at least 50% of the Ordinary Shares in issue. If within half an hour of the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the following week at the same time and place. Notice shall be given to each shareholder of such adjourned meeting. If at the adjourned meeting a quorum is not present within half an hour from the appointed time the meeting shall be dissolved.
- 10.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

## **11 Votes and proxies**

- 11.1 At a general meeting, on a show of hands every member present in person (or in the case of a corporate member by its duly authorised representative) shall have one vote for each Ordinary Share of which he is the holder, and on a poll every member present in person (or in the case of a corporate member by its duly authorised

representative) or by proxy shall have one vote for each Ordinary Share of which he is the holder. In the event of equality of votes the chairman shall not have a second or casting vote.

11.2 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve, and the directors may at their discretion treat a faxed or other machine-made copy of an instrument in any such form as an original copy of the instrument. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates, and shall be deemed to include authority to vote as the proxy thinks fit on any amendment of a resolution put to the meeting for which it is given.

11.3 The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority (certified notarially or in any other manner approved by the directors) may be delivered to the registered office, or to some other place or to some person specified or agreed by the directors, before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid.

## **12 Number and age of directors**

12.1 The number of directors shall not be less than two. No director shall be required to retire or vacate his office and no person shall be ineligible for appointment as a director by reason of his having attained any particular age. No shareholding qualification for directors shall be required.

## **13 Appointment and removal of directors**

13.1 Any director shall be deemed to be removed from office with immediate effect if:

- (a) all other directors resolve that he shall be so removed in writing and a copy of such resolution is served on the director; or
- (b) holders of not less than 75% of the Ordinary Shares so request in writing and a copy of that request is served on the director.

## **14 Appointment and removal of alternate directors**

14.1 Any director (other than an alternate director) may appoint any person (whether or not a director) to be an alternate director and may remove from office an alternate director appointed by him.

14.2 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at such meetings at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence.

- 14.3 An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent 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 except such part (if any) of the remuneration otherwise payable to the director appointing him as an alternate director may by notice in writing to the Company from time to time direct.

**15 Notice of board meetings**

- 15.1 A director may, and the secretary at the request of a director shall, call a meeting of directors.
- 15.2 Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth 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 any other means authorised in writing by the director concerned.
- 15.3 A director or alternate director absent or intending to be absent from the United Kingdom may request the directors that notices of meetings of the directors shall during his absence be sent in writing to him at an address or to a fax number given by him to the Company for this purpose, but if no request is made to the directors it shall not be necessary to give notice of a meeting of the directors to any director who is for the time being absent from the United Kingdom.
- 15.4 A director may waive notice of any meeting either prospectively or retrospectively.

**16 Proceedings of directors**

- 16.1 Subject as provided in these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 16.2 The quorum at any meeting of the directors shall be directors holding (or whose Privileged Relations and/or Family Trusts hold) not less than 50% of the issued Ordinary Shares not being less than 2 in number. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum in the same manner as his appointor. No business shall be transacted at any meeting of the directors unless a quorum is present at the commencement of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time for the relevant meeting as set out in the notice of meeting then the meeting shall be adjourned for 7 days and if at the adjourned meeting no quorum is present the meeting shall be dissolved. No resolution of the directors shall be validly passed unless directors holding (or whose Privileged Relations and/or Family Trust hold) at least 50% of the Ordinary Shares shall have voted in favour of the resolution or signified their approval of it in writing.
- 16.3 The provisions of Article 16.2 above shall apply equally to meetings of any committee of the directors as to meetings of the directors.
- 16.4 All or any of the directors or members of any committee of the directors may participate in a meeting of the directors or that committee by means of a conference

telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum; and accordingly, subject to Article 16.2 above, a meeting of the directors or committee of the directors may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid. A meeting where those present or deemed to be present are in different locations shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

- 16.5 In the case of an equality of votes the chairman shall not have a second or casting vote.

**17 Directors' interests; disclosure of information**

- 17.1 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors in accordance with the Act. Subject, where applicable, to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.

**18 Notices; time of service**

- 18.1 Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by pre-paid registered post (air mail in the case of an address for service outside the United Kingdom) addressed to the member at his registered address or by fax to a number provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned.
- 18.2 In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 18.3 Any notice or other document if given personally shall be deemed served when delivered, if sent by registered post, shall be deemed to have been served or delivered 48 hours after posting to an address in the United Kingdom or three days after posting to an address outside the United Kingdom, and if sent by fax shall be deemed served when despatched. In proving such service or delivery, it shall be sufficient to prove that the notice or document was delivered to the address given for notice, or properly addressed, stamped and put in the post or, in the case of a fax, that such fax was duly despatched to a current fax number of the addressee.
- 18.4 Any requirement in these Articles or in Table A for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where a notice, resolution or other document is received with the signature of the relevant

person reproduced thereon by means of facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within 14 days of receipt of the reproduction.

**19     Lien**

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

**20     Calls**

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

**21     Seal**

Regulation 6 of Table A shall be modified so as to remove the reference to the Company seal and regulation 101 of Table A shall be modified by the insertion of the words ", if the Company has one," after the words "The seal" at the beginning of that regulation.

**22     Indemnity**

- 22.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 22.2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs.