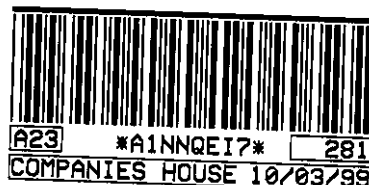


Company Number: 3675683



THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION

of

JACKTIDE LIMITED

Passed on ²⁴~~17~~ February 1999

The following resolutions were duly passed, in the case of Resolution Number (1) as an ordinary resolution, and in the case of Resolutions Numbered (2), (3), (4), (5), (6), (7), (8) and (9) as special resolutions, by the sole member of the Company on 24 February 1999 pursuant to section 381A of the Companies Act 1985:

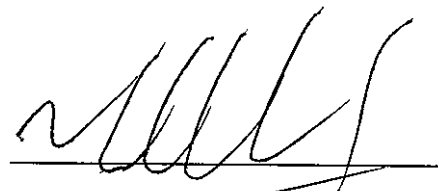
ORDINARY RESOLUTION

- (1) THAT the authorised share of the Company be and is hereby increased from £1,000 to £3,600 by the creation of an additional 2,600 Ordinary Shares of £1 each, each ranking *pari passu* in all respects with the existing Ordinary Shares of £1 each in the capital of the Company.

SPECIAL RESOLUTIONS

- (2) THAT subject to Resolution Number (8) below being passed as a special resolution of the Company, each issued and unissued ordinary share of £1 in the capital of the Company shall be sub-divided into 100 ordinary shares of 1 pence each.
- (3) THAT subject to the Resolutions Numbered (2) above and (8) below being passed as special resolutions of the Company, the 200 issued ordinary shares and 166,300 of the ordinary shares of 1 pence each comprised in the authorised but as yet unissued share capital of the Company together comprising 166,500 ordinary shares be reclassified as 166,500 "A" Ordinary Shares of 1 pence each each having the rights and restrictions set out in the new articles of association proposed to be adopted by Resolution Number (8) below.
- (4) THAT subject to the Resolutions Numbered (2) above and (8) below being passed as special resolutions of the Company, 21,000 of the ordinary shares of 1 pence each comprised in the authorised but as yet unissued share capital of the Company be reclassified as 21,000 "B" Ordinary Shares of 1 pence each having its rights and restrictions set out in the new articles of association proposed to be adopted by Resolution Number (8) below.

- (5) THAT subject to the Resolutions Numbered (2) above and (8) below being passed as special resolutions of the Company 172,500 of the ordinary shares of 1 pence each comprised in the authorised but as yet unissued share capital of the Company be reclassified as 172,500 "C" Ordinary Shares of 1 pence each having its rights and restrictions set out in the new articles of association proposed to be adopted by Resolution Number (8) below.
- (6) THAT the Directors of the Company be and they are hereby unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot, grant options, rights of subscription or conversion over or otherwise dispose of any unissued shares in the Company to such persons (whether existing Members or not) at such times and on such terms and conditions as they think proper provided that the authority hereby granted to the Directors of the Company:
- (a) shall not permit the Directors of the Company to allot, grant options, rights of subscription or conversion over or otherwise dispose of shares in the Company to an amount of more than the unissued capital of the Company from time to time during the currency of this authority;
 - (b) shall expire:
 - (i) five years from the date of this Resolution, or
 - (ii) (if this authority is renewed or varied by the Company in General Meeting) on the date specified in the Resolution on which the renewed or varied authority shall expire;
 - (iii) may be renewed, revoked or varied at any time by the Company in General Meeting; and
 - (iv) shall entitle the Directors of the Company to make at any time before the expiry of this authority any offer or agreement which will or may require shares to be allotted after the expiry of this authority.
- (7) THAT in accordance with Section 95(1)(a) of the Companies Act 1985, Section 89(1) of the Companies Act 1985 shall not apply to the allotment of any shares in the capital of the Company comprised in the authority given to the Directors of the Company pursuant to Resolution Number (6) above.
- (8) THAT the Articles of Association contained in the printed document annexed hereto and signed by a Director for the purposes of identification be and are hereby adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of Association of the Company.
- (9) THAT the name of the Company be and is hereby changed to Ashmore Group Limited.



Chairman/Director/~~Secretary~~

Company No. 3675683

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

JACKTIDE LIMITED

**(name to be changed to Ashmore Group Limited by
special resolution passed on date of adoption of these Articles)**

(Adopted by special resolution passed on __ February 1999)

NICHOLSON GRAHAM & JONES

110 Cannon Street, London EC4N 6AR

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
JACKTIDE LIMITED

(Adopted by special resolution passed on __ February 1999)

1. PRELIMINARY

In these Articles:

- 1.1 **""A" Shareholders"** means the holder or holders for the time being of all the issued "A" Shares.

"Associated Company" means any parent undertaking or subsidiary undertaking from time to time of a Shareholder and any subsidiary undertaking of any such parent undertaking from time to time provided that neither the Company nor any of the Company's subsidiary undertakings shall be considered an Associated Company of any Shareholder.

"Board" means the board of directors of the Company from time to time.

""B" Shareholder" means the holder or holders for the time being of all the issued "B" Shares.

""C" Shareholders" means the holder or holders for the time being of all the issued "C" Shares.

"Director" means any director for the time being of the Company including, where applicable, any alternate director.

"Family Trust" means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in

consequence of an exercise of a power or discretion conferred thereby on any person or persons.

"Loan Notes" means that form of debt instrument issued by the Company to any Shareholder in its capacity as a member of the Company together with all accrued but unpaid interest thereon (if any).

"Nominated Director" means an "A" Director or a "B" Director appointed by the "A" Shareholder or the "B" Shareholder (respectively) in accordance with the provisions of these Articles.

"Privileged Relation" means in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants in direct line of such member and a husband or wife or widower of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant.

"Shareholder" means any person who holds a Share or Shares from time to time.

"Shares" means ordinary shares of 1p each in the capital of the Company from time to time and the phrases "A" Shares, "B" Shares and "C" Shares shall be construed accordingly.

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended at the date of adoption of these Articles and attached hereto. References to Regulations are to regulations in Table A.

- 1.2 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meanings as in Table A.
- 1.3 The Regulations contained in Table A shall apply to the Company except to the extent that they are excluded or varied by these Articles.
- 1.4 In Regulation 1, the words "and in articles adopting in whole or in part these regulations" shall be inserted after the word "regulations" in the first and last sentences.

2. SHARE CAPITAL

- 2.1 The authorised share capital of the Company at the date of adoption of these Articles is £3,600 divided into 166,500 "A" Shares, 21,000 "B" Shares and 172,500 "C" Shares. Except as expressly mentioned in these Articles, the "A" Shares "B" Shares and "C" Shares shall rank *pari passu* in all respects.
- 2.2 Whenever the share capital of the Company is divided into different classes of shares 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, with the consent in writing of the holder or holders of 75% 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 the shares of that class, but not otherwise. To every such separate meeting all provisions applicable to general

meetings of the Company or to the proceedings thereat shall mutatis mutandis apply except that the necessary quorum at any such meeting or at any adjourned meeting shall be a person or persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present the member or members present in person or by proxy shall be a quorum), and that any holder of shares of that class present in person or by proxy may demand a poll and such holders, on a poll, have one vote in respect of every share of that class held by them respectively.

- 2.3 The special rights conferred upon the holders of any shares or class of shares with preferred or special rights shall not (unless otherwise expressly provided by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.
- 2.4 In Regulation 2 of Table A the words "ordinary resolution" shall be replaced by the words "special resolution".
- 2.5 Subject to the provisions of the Act the Company shall have power to make a payment in respect of the redemption or purchase under Section 160 or (as the case may be) Section 162 of the Act of any of its own shares otherwise than out of its distributable profits or the proceeds of a fresh issue of shares in the Company.
- 2.6 In addition to the lien conferred by Regulation 8 of Table A the Company shall have a first and paramount lien on every share in the Company, whether fully paid or not, standing registered in the name of any person (whether he shall be the sole registered holder thereof or he shall be one of two or more joint holders thereof) for all moneys presently payable by that person to the Company.

3. **ALLOTMENT OF SHARES**

- 3.1 Save in respect of all shares issued at the date hereof, except with the consent in writing of the majority of holders of each class of Shares, any unissued Shares from time to time after the date of the adoption of these Articles shall before they are issued be offered to all the holders of Shares in proportion as nearly as may be to the number of existing Shares held by them respectively (and such offer shall be for subscription fully paid and otherwise on the same terms to each such holder). Such offer shall be made by written notice specifying the number of Shares offered, the proportionate entitlement of the relevant member, the price per share and a period (the "Initial Offer Period"), not being less than fourteen days but not more than 28 days, within which the offer, if not accepted in writing by notice to the Company, will be deemed to be declined. After the expiration of the Initial Offer Period the Board shall further offer the Shares declined or deemed to be declined (if any) to the persons who have, within the Initial Offer Period, accepted all the Shares offered to them in the same manner as the original offer and limited by a period of not less than seven days but not more than 14 days. At the expiration of the time limited by the notice(s) the Board shall allot the Shares so offered to or amongst the members who have notified their willingness to take all or any of such Shares in accordance with the terms of the further offer. No member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take.

- 3.2 Article 3.1 shall not apply to the allotment of "C" Shares pursuant to any share options which may be issued or granted by the Company nor to all the existing 172,500 "C" shares at the date of the adoption of these Articles.
- 3.3 Any Shares not accepted pursuant to Article 3.1 or not capable of being so offered except by way of fractions shall only be allotted subject to such authority as may be conferred on the Board by the Company in general meeting from time to time provided that, in the case of Shares not accepted as aforesaid, such Shares shall not be allotted on terms which are more favourable to the subscribers of those Shares than the terms on which they were offered to the existing Shareholders.
- 3.4 Section 89(1) and sub-sections (1) to (6) of Section 90 of the Act shall not apply to the Company.
- 3.5 Any shares shall before issue to a person who is already a holder of "A", "B" or "C" Ordinary Shares be redesignated as "A" Ordinary Shares, "B" Ordinary Shares or "C" Ordinary Shares (as the case may be) and shall accordingly be subject to such of the provisions of these Articles as are applicable to "A" Ordinary Shares, "B" Ordinary Shares or "C" Ordinary Shares (as the case may be) and where a shareholder holds a combination of "A", "B" or "C" Shares, the redesignation of such Shares shall be in proportion to the class of Share held.

4. TRANSFER OF SHARES

- 4.1 The Board shall refuse to register any transfer of a Share unless it has been executed as permitted or required by the provisions of these Articles or registration has been agreed to in writing by all members of the Company.

4.2 Stapling

Subject to the prior approval of the Board, the Shares and the Loan Notes respectively shall be deemed to accompany the other (the "Stapled Loan Notes") in accordance with the following provisions:-

- (a) No transfer of any Shares by a Shareholder shall be registered unless it is accompanied by an assignment or transfer of such part of the Loan Notes held by such Shareholder to the transferee of the said Shares, as shall equal the proportion which the nominal value of such Shares represents to the nominal value of the total number of Shares held by such Shareholder at the time of such transfer (the purchase price for such Stapled Loan Notes to be the nominal value outstanding of such Stapled Loan Notes together with any accrued but unpaid interest thereon or such other lower amount as the transferor may agree). Subject to above prior approval of the Board, an application for the transfer of any Shares shall be deemed to be accompanied by an application to transfer the Stapled Loan Notes relating thereto for the purposes of this Article 4 or Article 5 below.
- (b) No transfer of any Loan Notes by a Shareholder shall be registered unless it is accompanied by an assignment or transfer of such part of the Shares held by such Shareholder to the transferee of the said Loan Notes, as shall equal the proportion which the nominal value of such Loan Notes represents to the nominal value of the total number of Loan Notes held by such

Shareholder at the time of such transfer (the purchase price for such Shares to be the fair value of the Shares determined in accordance with Article 5.13). Subject to above prior approval of the Board, an application for the transfer of any Loan Notes shall be deemed to be accompanied by an application to transfer the Shares relating thereto for the purposes of this Article 4 or Article 5 below.

4.3 Permitted Transfers

- (a) Subject to obtaining the prior consent of 75% of the holders in nominal value of all Shares in issue taken together as one class, any Shareholder may freely transfer (subject to compliance with Regulation 24) at any price all or any Shares held by him to any third party he may decide, and such transfer shall not be subject to the pre-emption provisions set out in Article 5.
- (b) Any Shares (other than any Shares in respect of which the holder thereof shall have been required by the Directors to give a Transfer Notice or shall have been deemed by the Directors to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred:-
 - (i) by an individual Shareholder (not being in relation to the relevant Shares a holder thereof as a trustee of Family Trusts) to a Privileged Relation of such Shareholder;
 - (ii) by any such individual Shareholder to be held upon Family Trusts related to such individual Shareholder ("Relevant Individual").
- (c) Where shares have been issued to trustees of Family Trusts or transferred under Article 4.3(b) or under paragraphs (i) or (ii) of this Article to trustees of Family Trusts, the trustees and their successors in office may transfer all or any of the relevant Shares:-
 - (i) to the trustees for the time being of the Family Trust concerned on any change of trustee;
 - (ii) to the trustees for the time being of any other trusts being Family Trusts in relation to the Relevant Individual pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
 - (iii) to the Relevant Individual or any Privileged Relation of the Relevant Individual.
- (d) If and whenever any of the relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 4.3(c) to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the Directors

so to do, to give a Transfer Notice pursuant to Article 5.2 in respect of the Shares concerned.

- (e) If a person to whom shares have been transferred pursuant to Article 4.3(b) shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the Directors so to do, to transfer such shares back to the transferor from whom the shares were received pursuant to Article 4.3(b) and if such transfer is not effected within 14 days after being so required, to give a Transfer Notice pursuant to Article 5.2 in respect of the shares concerned.
- (f) Any Shareholder (for the purposes of this Article 4.3(c) "Original Shareholder") which is a body corporate may at any time transfer all (but not only some) of the Shares held by it to any of its Associated Companies and any such Associated Company may at any time transfer all (but not only some) Shares to any other Associated Company of the Original Shareholder provided that, if any such Associated Company ceases to be an Associated Company of the Original Shareholder then such Associated Company shall forthwith transfer all Shares held by it to the Original Shareholder or to any Associated Company of the Original Shareholder and if such transfer is not completed within 14 days of the Associated Company ceasing to be an Associated Company, a Transfer Notice pursuant to Article 5.2 shall be deemed to have been served by the former Associated Company on the Company in respect of all the Shares held by that former Associated Company.
- (g) Any "A" Shareholder or "B" Shareholder wishing to transfer any or all of his "A" Shares or "B" Shares (or any interest therein) as the case may be, without the prior consent of 75% of the holders in nominal value of all Shares in issue taken together as one class, shall serve a Transfer Notice on the Company in accordance with Article 5.2 specifying the number and class of Shares in question, the price per Share at which such Shareholder wishes to sell and the name of the proposed transferee.

For the avoidance of doubt, the provisions of Article 4.5 (Acquisition of Majority Interest) and Article 5.8 (Good Leaver/Bad Leaver Provisions) shall apply to all Shares transferred to a permitted transferee in accordance with Article 4.3(b) and 4.3(f).

4.4 Transfer Restrictions

- (a) Any "C" Shareholder wishing to transfer any or all "C" Shares held by that "C" Shareholder other than pursuant to Articles 4.3(b) and 4.3(f) ("Retiring Shareholder") shall first give a notice in writing ("Sale Notice") to the Company to that effect specifying the number of "C" Shares held by the Retiring Shareholder which he intends to sell ("Sale Shares") (which shall be the subject of the Sale Notice) and specifying the minimum price per Sale Share which the Shareholder invites to sell the Sale Shares ("Notice Price"). The Sale Notice shall constitute the appointment of the Company as agent for the Retiring Shareholder for the sale of the Sale Shares.

- (b) Not later than seven days after receipt of a Sale Notice the Company shall serve a notice ("Invitation Notice") on the "A" Shareholder(s) and all other "C" Shareholders (together the "Invitees") inviting offers to buy any or all of the Sale Shares at the Notice Price per Sale Share and specifying the period during which the invitation for sale of the Sale Shares shall remain open, which shall be a period of 21 days from the date of service of the Invitation Notice ("Offer Period"). The Invitation Notice shall invite each such Invitee to send to the Company a written offer ("Purchase Offer") to purchase all or any of the Sale Shares stating the highest price per Sale Share at which it would be prepared to purchase each Sale Share.
- (c) After the expiry of the Offer Period, the Board shall determine the highest price at which all (but not some) of the Sale Shares may be transferred ("Strike Price") using (subject to a decision by the Board to the contrary) the following procedure:-
- (i) in the event that the number of Sale Shares exceeds the number of Sale Shares offered to be purchased pursuant to Purchase Offers received by the Company, the Retiring Shareholding shall be entitled to serve a further Sale Notice pursuant to Article 4.4.(e)(i);
 - (ii) in the event that the number of Sale Shares offered to be purchased pursuant to Purchase Offers received by the Company exceeds the number of Sale Shares, the Board shall only have regard for those Purchase Offers offering the highest spread of Purchase Prices and which together offer to purchase as close to, but not less than, all the Sale Shares ("Qualifying Offers") and shall disregard the rest of the Purchase Offers;
 - (iii) the Strike Price shall be determined to be the best price at which all the Sale Shares have been offered to be purchased pursuant to the Qualifying Offers. The Strike Price shall be the lowest of the spread of prices specified in the Qualifying Offers. Each Invitee who served a Qualifying Offer on the Company shall be referred to as a Qualifying Offeror, and the effect of determining the Strike Price shall be that no Qualifying Offeror shall be obliged to purchase the Sale Shares at a price higher than the price specified in their Qualifying Offer;
 - (iv) if the total number of Sale Shares offered to be purchased pursuant to the Qualifying Offers exceeds the total number of Sale Shares, then the number of Sale Shares referred to in each Qualifying Offer made by each Qualifying Offeror shall be deemed to be reduced pro-rata to the number of Shares offered to be purchased in each Qualifying Offer such that the total number of Sale Shares offered to be purchased pursuant to all the Qualifying Offers made by all Qualifying Offerors shall be equal to the number of Sale Shares.
- (d) Within 7 days of expiry of the Offer Period, the Company shall give notice to each of the Qualifying Offerors and the Retiring Shareholder of the Strike

Price and the number of Sale Shares that each Qualifying Offeror is entitled to purchase whereupon the Retiring Shareholder shall either:

- (i) in the event that the Strike Price equals or exceeds the Notice Price, become bound to complete the sale and purchase of such Sale Shares as if accepted pursuant to such offers within 28 days of the expiry of the Offer Period; or
 - (ii) in the event that the Strike Price does not equal or exceed the Notice Price, have 7 days to accept such offers to purchase by giving notice in writing to the Company and each Qualifying Offeror and thereupon the Retiring Shareholder and each Qualifying Offeror shall become bound to complete the sale and purchase of such Sale Shares as if accepted pursuant to such offers within 28 days of the Retiring Shareholder's acceptance.
- (e) In the event that the Retiring Shareholder does not accept all offers to purchase in accordance with Article 4.4(d)(ii), the Retiring Shareholder shall thereon be entitled to either:-
- (i) serve a further Sale Notice on the Company specifying a revised price which it invites to sell its Sale Shares, and the provisions of Articles 4.4(a) to 4.4(d) inclusive shall apply *mutatis mutandis* to such further Sale Notice; or
 - (ii) sell the Sale Shares to:
 - (A) Firstly, any "B" Shareholder, the Company or any Employee Benefit Trust established by the Company at such price as may be agreed between them (but, in the event of a proposed sale of the Sale Shares to a "B" Shareholder, not less than the last applicable Notice Price) and in accordance with the provisions of the Act (such sale to complete within one month of the expiry of the Offer Period); and subject thereto
 - (B) Secondly, upon receipt by the Board of a notification in writing by the Retiring Shareholder of his proposed transferee at a price not less than the last applicable Notice Price within 5 business days of the expiry of the Offer Period, to any "A" Shareholder and "B" Shareholder who makes a final offer within one month of the expiry of the Offer Period to purchase the Sale Shares at the last applicable Notice Price (whereupon if more than one Shareholder makes such an offer, the Sale Shares shall be purchased pro-rata to such Shareholders' shareholding at that time); and, subject thereto
 - (C) Finally, in default of the sale of the Sale Shares to an "A" Shareholder and/or a "B" Shareholder pursuant to paragraph (B) above, to such proposed transferee notified in writing to the Board by the Retiring Shareholder at a price not less

than the last applicable Notice Price. In the event that a sale pursuant to this sub-article 4.4(e)(ii)(C) has not completed within 2 months of the expiry of the Offer Period, all rights under this Article 4.4(e)(ii) in relation to the Retiring Shareholder shall lapse until the Retiring Shareholder serves a further Sale Notice in accordance with Article 4.4(a)).

- (f) Each Sale Share purchased by any "A" Shareholder or "B" Shareholder pursuant to Articles 4.4(d) and 4.4(e) shall be converted on transfer into one "A" Share or "B" Share (as the case may be) ranking pari passu in all respects with the existing "A" Shares, "B" Shares and "C" Shares.
- (g) If the Retiring Shareholder fails to carry out the sale of any Sale Shares and the Stapled Loan Notes relative thereto to the relevant Shareholder(s) ("Transferee(s)") in accordance with the provisions of Article 4.4(d), and for the purposes of securing its obligations under this Article 4.4(g), the Retiring Shareholder hereby irrevocably appoints the Company as its attorney to execute, complete and deliver in the name of and on behalf of the Retiring Shareholder, transfer(s) of the relevant Sale Shares and the Stapled Loan Notes relative thereto in favour of the Transferee(s) against payment of the Strike Price per Sale Share and the nominal outstanding amount of the Stapled Loan Notes relative thereto (together with all accrued but unpaid interest on such Stapled Loan Notes) and the Company may give a good receipt for such purchase price for such Sale Shares and Stapled Loan Notes relative thereto and, subject to such transfer being duly stamped, may register the Transferee(s) as holder(s) thereof and issue certificates in respect thereof (and such shall be deemed to have already transferred the Sale Shares for the purpose of establishing the quorum and right to vote at any meeting convened to effect the actions of the Company pursuant to this Article). The Retiring Shareholder shall in such case be bound to deliver up its certificate(s) for the Sale Shares and the Stapled Loan Notes (if any) to the Company and shall be entitled to receive the purchase price which shall in the meantime be held by the Company in trust for the Retiring Shareholder, but without interest subject to applying such sums on its behalf in settling any fees or expenses falling to be borne by the Retiring Shareholder.
- (h) After the name(s) of the Transferee(s) has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings prescribed by these Articles, and their implementation shall not be questioned by any person.

4.5 Acquisition of Majority Interest

- (a) If a transfer or transfers of Shares (the "Majority Transfer") to a person (the "proposed transferee") would result in the proposed transferee and persons acting in concert to obtain control of the Company (as such term is defined by the City Code on Takeovers and Mergers) holding the legal or beneficial interest or both in more than 50.1% per cent by nominal value of all the Shares in issue of the Company at that time then, before the making of any such transfer or transfers, the proposed transferee must have made an offer

in writing to all of the other Shareholders ("Offerees") in accordance with this Article 4.5 to acquire all the other Shares in issue at that time.

- (b) The offer referred to in Article 4.5(a) above must:
 - (i) be in writing, identifying the proposed transferee and any persons acting in concert with it;
 - (ii) be open for acceptance in the United Kingdom for a period of at least 28 days following the making of the offer;
 - (iii) be on equal terms to all Offerees;
 - (iv) be on terms that the Offerees shall be entitled to receive for their Shares a sum in cash equal to an amount for each Share equal to the highest of (i) of the highest price and/or cash value of any non-cash consideration determined in accordance with Article 4.5(g) per Share paid or payable during the six months preceding the offer by any person and (ii) the price proposed to be paid by the proposed transferee in relation to the relevant transfer;
 - (v) be on terms that any acceptance by each offered is conditional upon the proposed transferee and those acting in concert with him as aforesaid acquiring Shares which together with those already held represent in excess of 50.1% per cent by nominal value of all the Shares in issue with the Majority Transfer and all acquisitions pursuant to this Article 4.5 being completed at the same time; and
 - (vi) include an offer to acquire all Loan Notes and other securities in the Company held by the other Shareholders (the consideration for such acquisition being the total of the nominal outstanding amount of such Loan Notes and/or other securities and all accrued but unpaid interest (or equivalent or similar rights) thereon.
- (c) In this Article 4.5 a "Qualifying Offer" shall mean a bona fide arms' length offer in writing by or on behalf of any person (the "Offeror") to the holders of the entire issued equity share capital in the Company to acquire all of the issued equity share capital of the Company and all Loan Notes for a specified amount of consideration which on acceptance will give rise to a binding contract (whether conditional or not) for the sale and purchase of such equity share capital and Loan Notes.
- (d) If the holders of not less than 50.1% of the equity share capital of the Company then in issue (the "Accepting Shareholders") wish to accept the Qualifying Offer, then the provisions of Articles 4.5(e) to 4.5(f) shall apply.
- (e) The Accepting Shareholders shall give written notice to the remaining holders of equity share capital of the Company (the "Other Shareholders") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer (but so that if the specified consideration is not wholly in cash, the Offer or shall be bound to pay to the Other Shareholders the equivalent value (determined in

accordance with Article 4.5(g)) of the specified consideration per equity share in cash together with the nominal outstanding amount of the Stapled Loan Notes relative thereto and any accrued but unpaid interest thereon in satisfaction of the payment of any Offer consideration to any Other Shareholder) and to transfer their Shares and Stapled Loan Notes relative thereto to the Offer or (or his nominee) with full title guarantee and to warrant that such Shares and Stapled Loan Notes relative thereto are sold free from all liens, charges, encumbrances and other equities on the date specified by the Accepting Shareholders.

- (f) If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the equity shares and Stapled Loan Notes relative thereto held by him and deliver the certificate(s) (if any) in respect of the same (or a suitable indemnity in lieu thereof), then as security for the performance of its obligations under this Article 4.5(f), each Other Shareholder hereby irrevocably appoints the Company as its attorney to execute, complete and deliver in the name of and on behalf of the Other Shareholder the necessary transfer(s) and indemnities against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares and Stapled Loan Notes relative thereto and the Company may, subject to such transfer(s) being duly stamped, register such Offer or (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- (g) For the purposes of these Articles, any consideration which may be satisfied other than in cash shall be deemed to have such value as one of the major accounting firms in the United Kingdom selected by the Board shall, in its absolute discretion determine to be the market value of such consideration (assuming a willing buyer and a willing seller) and such firm shall give a certificate to such effect to the Company. In the absence of agreement by the Board as to the identity of such firm within 14 days of any Shareholder proposing a firm for this purpose (and for the avoidance of doubt, such proposal may be made prior to completion of the transfer in respect of which the non-cash consideration is offered), such firm shall be a firm appointed by the President of the Institute of Chartered Accountants in England and Wales from time to time on the application of any Shareholder. Such firm shall be instructed to make its determination within 21 days of such instruction. Such firm shall act as an expert and not as an arbitrator, its decision shall (in the absence of manifest error) be final and binding and its fees for so acting shall be paid for by the selling Shareholder which is prepared to accept such non-cash consideration. If any such consideration for any Sale Shares requires to be determined under this Article 4.5(f), any time limits or periods contained in this Article 4 shall be suspended pending such determination and shall recommence on the second Business Day after the certificate as to the market value of such consideration has been provided to the Company.
- (h) The provisions of Articles 4.3 and 4.4 shall not apply to any transfer pursuant to and in accordance with this Article 4.5.

5. LEAVING PROVISIONS

5.1 In this Article 5 the following words shall bear the following meanings:-

- | | |
|---------------------|--|
| “Acceptance Period” | a period during which an offer made under Article 5.2(v) is open for acceptance; |
| “Bad Leaver” | An Employee to whom Article 5.8 applies who ceases to be an Employee other than in circumstances which constitute him a Good Leaver; |
| “Employee” | an individual who is employed by the Company under the terms of an agreement between the Company and such individual (and “contract of employment” shall be construed accordingly to include such an agreement); |
| “Family Transferee” | any holder of any shares transferred by an Employee in accordance with Article 4.3(b). |
| “Good Leaver” | <p>an Employee to whom Article 5.8 applies who ceases to be an Employee in one of the following circumstances:</p> <ul style="list-style-type: none">(a) by way of retirement at the normal retirement age specified in their contract of employment; or(b) by way of death; or(c) by way of permanent physical or mental incapacity; or(d) by way of redundancy; or(e) where such cessation occurs after the second anniversary of the date of the adoption of these Articles in any circumstance other than in circumstances involving a breach of his contract of employment as would justify summary dismissal; or(f) at any time, where the Board in its discretion decides (and it is agreed that the Board shall reach such decision as soon as is reasonably practicable following the cessation of the employment of such Employee unless any of the above circumstances apply) that such Employee is a Good Leaver (and, for the avoidance of doubt, the Board shall in making its decision act fairly and reasonably at all times in |

exercising such discretion, and its decision shall not form a precedent for the making of such decisions in the future);

"Member"	a holder of "A" Shares, "B" Shares or "C" Shares as the case may be;
"The Prescribed Price"	the price per Sale Share specified in the Transfer Notice or (if no price is specified) to the price per Sale Share agreed or determined pursuant to Article 5.2(iv);
"Priority Rights"	the rights of Members and/or the Employee Benefit Trust to purchase Shares comprised in a Transfer Notice in the order of priority stipulated in Article 5.2(vi);
"Purchaser"	a Member willing to purchase Shares comprised in a Transfer Notice;
"the Sale Shares"	all Shares comprised in a Transfer Notice;
"Transfer Notice"	a written notice served or deemed to be served by a Member on the Company in accordance with Article 5.2.

5.2 Transfer Mechanism

- (i) The right to transfer Shares or any interest therein shall (save in respect of transfers made pursuant to Articles 4.3(a), 4.3(b) , 4.4 and 4.5) be subject to the restrictions set out in this Article 5.2.
- (ii) Before transferring, or disposing of, any Shares (or any interest in Shares) the Proposing Transferor shall serve a Transfer Notice on the Company specifying the number and class of Shares in question, and the Transfer Notice shall constitute the Company his agent for the sale of those Shares in accordance with this Article 5.2. Except as provided in this Article 5.2, a Transfer Notice once given or deemed to be given shall not be revocable except with the written consent of the Board.
- (iii) A Transfer Notice may, where permitted, specify the Prescribed Price per Share and shall give the name of the offeror, the number of Shares concerned and the price per Share offered.
- (iv) Forthwith following receipt of a Transfer Notice which does not specify a Prescribed Price for such Shares, the Directors (other than the Proposing Transferor, if a Director, and other than any Director connected with the Proposing Transferor within the meaning of Section 839 of the Income and Corporation Taxes Act 1988) shall seek to agree the Prescribed Price with the Proposing Transferor. In the event that the Prescribed Price is not agreed within 14 days of receipt of the Transfer Notice by the Company,

the fair value of the Sale Shares shall be determined in accordance with Article 5.13 and the Prescribed Price shall be the price indicated in the Valuation Certificate.

- (v) The Sale Shares shall, within 14 days following receipt of the Transfer Notice or (in a case falling within Article 5.2(iv)) agreement or certification of the Prescribed Price, be offered by the Company in accordance with the Priority Rights for purchase at the Prescribed Price (other than to the Proposing Transferor). All offers shall be made by notice in writing and specify a time (being between 14 and 21 days inclusive) within which the offer must be accepted or, in default, will be deemed to have been declined. A copy of such offers shall at the same time be sent by the Company to the Proposing Transferor.
- (vi) The Company shall offer the Sale Shares in the following order of priority:-
 - (A) to the extent that the Sale Shares comprise "A" Shares, firstly to the other "A" Shareholders; and, subject thereto, secondly, to the "B" Shareholders; and, subject thereto, thirdly, if so required by the Board, to the Company or any Employee Benefit Trust established by the Company; and, subject thereto, fourthly, the "C" Shareholders; and
 - (B) to the extent that the Sale Shares comprise "B" Shares, firstly to the other "B" Shareholders; and, subject thereto, secondly, to the "A" Shareholders; and, subject thereto, thirdly, if so required by the Board, to the Company or any Employee Benefit Trust established by the Company; and, subject thereto, fourthly, the "C" Shareholders; and
 - (C) to the extent that the Sale Shares comprise "C" Shares, firstly to the other "C" Shareholders; and, subject thereto, secondly, to the "A" Shareholders; and, subject thereto, thirdly, if so required by the Boards, to the Company or any Employee Benefit Trust established by the Company; and, subject thereto, fourthly, the "B" Shareholders

on the basis that if there is more than one holder of any class of shares ("the relevant class") to whom an offer is to be made pursuant to the Priority Rights, the Shares on offer shall be offered to such holders in proportion as nearly as may be to their existing holdings of Shares, and the Board's decision as to the number of shares which shall be "in proportion as nearly as may be to their existing holdings of shares of the relevant class" shall be conclusive.

- (vii) Each Member to whom the offer is made (if more than one) shall be invited to indicate whether, if he accepts the number of Sale Shares offered to him pursuant to Article 5.2(vi), he wishes to purchase any Sale Shares offered to other Members in the same offer which they decline to accept (such Sale Shares being referred to as "Excess Shares") and if so the maximum number which he wishes to purchase.

(viii) If there are any Excess Shares, they shall be allocated between the Members who have indicated that they wish to purchase Excess Shares. If the number of Excess Shares available is insufficient, the Excess Shares shall be allocated between the Members seeking to purchase them as follows:-

(A) any Member who has sought to purchase no more than his proportionate entitlement of Excess Shares (calculated by reference to the proportion of the total holdings of Shares of the relevant class of Members seeking to purchase Excess Shares represented by that Member's holding) shall be allocated all the Excess Shares he sought to purchase; and

(B) any Member or Members who sought to purchase more than their proportionate entitlement shall have the number of Excess Shares applied for scaled down and (if more than one) in proportion to their respective holdings of Shares of the relevant class.

(ix) Subject to the provisions of this Article, the Purchasers shall be bound to purchase the Sale Shares allocated to them under the provisions of this Article 5.2 at the Prescribed Price.

5.3 Not later than 7 days following the last day of the Acceptance Period the Company shall give written notice to the Proposing Transferor stating:-

- (i) if it is the case, that no person has sought to purchase any of the Sale Shares; or
- (ii) the number of Sale Shares which persons have sought to purchase, giving the name and address of each Purchaser and the number of Sale Shares to be purchased by him;

and so that in the event that Purchasers have been found in the Acceptance Period for some only of the Sale Shares, the Proposing Transferor may within 7 days of service on him of notice under this Article 5.3 revoke his Transfer Notice by written notice to the Company.

5.4 In the event that the Proposing Transferor is given notice under Article 5.3(ii) (and subject to the Proposing Transferor not revoking his Transfer Notice in accordance with Article 5.3, where permitted) the Proposing Transferor shall be bound on payment of the Prescribed Price to transfer the Shares in question to the respective Purchasers. The sale and purchase shall be completed at the registered office of the Company during normal business hours on the first business day after the expiry of 7 days from the date of service of notice under Article 5.3(ii).

5.5 If a Proposing Transferor, after having become bound to transfer any Shares to a Purchaser, shall fail to do so, the Directors may authorise any person to execute on behalf of and as attorney for the Proposing Transferor any necessary instruments of transfer and shall register the Purchaser as the holder of the relevant Shares. The Company's receipt of the purchase money shall be a good discharge to the Purchaser, and the Company shall thereafter hold the same on trust for the Proposing Transferor. After the name of the Purchaser has been entered in the

Register in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- 5.6 The Proposing Transferor may transfer Sale Shares to any person or persons if the Company shall fail within the Acceptance Period to find a Purchaser or Purchasers for any of the Sale Shares, the Proposing Transferor may, subject to the following provisions, sell all or any of the Sale Shares:

- (i) Shares may not be sold after the expiry of three months after the date on which notice is given to the Proposing Transferor under Article 5.3; and
- (ii) the Shares must be sold in pursuance of a bona fide sale at a price not being less than the Prescribed Price and the Directors may require to be satisfied that the Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the instrument of transfer without any deduction, rebate or allowance whatsoever to the purchaser.

- 5.7 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may not elect to have some person nominated by him registered as transferee and may only elect to become the holder of the share once:

- (i) an unrevokable Transfer Notice has been deemed to be served on the Company specifying a proposed transferor and the total number of shares to which such person has become entitled (but not at a prescribed price) in accordance with Article 5.2 and, as a consequence, the pre-emption provisions set out in this Article 5 have been exhausted; and thereafter
- (ii) such person has failed to transfer such share at a price not less than that determined for the purpose of the Transfer Notice deemed to have been served in accordance with 5.7(i) to the proposed transferor before the expiry of three months after the exhaustion of the pre-emption provisions set out in this Article 5

and Regulation 30 shall be amended accordingly.

5.8 **Good Leaver/Bad Leaver Provisions**

In the event that any Employee who is also a "C" Shareholder ceases for any reason to be an Employee, such Employee shall be bound within 14 days of the date of such cessation to give a Transfer Notice in respect of all the "C" Shares then registered in his name and/or in the name of a Family Transferee (if any). Such a Transfer Notice shall not specify a Prescribed Price and shall not be capable of revocation under the provisions of Article 5.3. In such circumstances the Prescribed Price per Sale Share shall:-

- (i) in the case of a Good Leaver be the price per Sale Share agreed between the Employee and the Board or, at the Employee's option, determined in accordance with Article 5.13;

(ii) in the case of a Bad Leaver be the lesser of:-

(A) the net tangible asset value of the Company (determined in accordance with Article 5.12) at the date of termination of employment proportionately attributable to the Sale Shares on the basis that all the then issued Shares in the capital of the Company are being offered for sale and form one class of share ranking *pari passu* in all respects; and

(B) the value of the Sale Shares at par.

5.9 In any case where the Directors require a Transfer Notice to be given in respect of any Shares, or where an Employee is bound to give a transfer notice under Article 5.8, if a Transfer Notice is not duly given within a period of 14 days of demand being made by the Directors or, as the case may be, of the date on which the employment of such Employee ceased, a Transfer Notice in respect of all Shares registered in the name of such Employee and/or such Employee's Family Transferees (if any) shall be deemed to have been given at the expiration of that period. Such a deemed Transfer Notice shall not be capable of revocation under the provisions of Article 5.3.

5.10 Any notice required to be given under this Article 5 by the Company to a Member or by a Member to the Company or otherwise shall be given or served either personally or by sending it by first class post to the registered office of the Company or to the registered address of the Member (as the case may be) or, if he has no registered address within the United Kingdom and has supplied to the Company an address within the United Kingdom for the giving of notice to him, to the address so supplied. When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected 48 hours after posting.

5.11 The restrictions imposed by this Article 5 may be waived in relation to any proposed transfer of Shares with the consent of all Members who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with Article 5.2(vi).

5.12 **Determination of Net Tangible Asset Value**

For the purposes of Article 5.8(ii)(A) the net tangible asset value of the Company shall mean the net tangible asset value of the Company shown in the last prepared audited balance sheet of the Company as at the date of the termination of the employment with the following adjustments (so far as the same may not already have been taken into account in the preparation thereof):

- (i) goodwill and other intangible assets shall be excluded;
- (ii) such freehold or leasehold property or such interest therein as shall at the date of exercise of the Right be in the ownership of the Company shall be included in such amount as shall represent the open market value thereof;
- (iii) there shall be deducted the total amount of any tax that would be payable by the Company on the disposal proceeds in the event that on the date of

exercise of the Right such freehold or leasehold property or such interest therein as shall at that date be in the ownership of the Company had been disposed of for a consideration equal to the open market value thereof; and

- (iv) there shall be deducted to represent notional costs incurred in connection with a sale of such freehold or leasehold property or such interest therein as shall at the date of exercise of the Right be in the ownership of the Company a sum equal to 5 per cent of the open market value thereof together with value added tax on such sum to the extent that the same shall not be recoverable by the Company.

5.13 Determination of Fair Value

The Company shall to apply either to the President for the time being of the Institute of Chartered Accountants in England and Wales or, if he shall be unable or unwilling to make an appointment, to the High Court of Justice in England, for the appointment of an expert (the "Expert") (acting as an expert and not as an arbitrator) to certify his opinion of the fair value as at the date that the proposed transferee has served (or has deemed to have served) the Transfer Notice of each of the Sale Shares calculated on the basis of a sale of only the Sale Shares between a willing seller and a willing purchaser (and for the avoidance of doubt not based solely on the earnings of the Company at the date of such valuation). The Company and the Shareholders shall render all such assistance and provide all such documentation and other information within their control to the Expert as the Expert may reasonably consider necessary, and shall use their respective reasonable endeavours to procure that the Expert shall issue his certificate ("Valuation Certificate") as soon as reasonably practicable. Notwithstanding the foregoing provisions if a Valuation Certificate shall have been issued pursuant to this Article 5.13 stating a fair value of Shares at a date within the three months preceding the date of the Transfer Notice, (and no event or matter shall have occurred in the intervening period which could be reasonably considered to be likely to have a material affect on the value of any of the Company's Shares) such earlier Valuation Certificate shall apply and no further reference to an Expert under this Article 5.13 shall be required to determine the fair value of the Sale Shares. The costs of the Expert in connection with the Valuation Certificate shall be borne by the Selling Shareholder and his certificate shall be final and binding on all the Shareholders.

6. GENERAL MEETINGS

- 6.1 In Regulation 37 the words "within the United Kingdom" shall be deleted.
- 6.2 No business shall be transacted at any general meeting unless a quorum of members is present. A quorum shall consist of a member or members being the Chairman and a "B" Shareholder in each case present in person or by proxy or (in the case of a corporation) by a duly authorised representative or by proxy.
- 6.3 If a quorum is not present within half an hour from the time appointed for the general meeting, or if during a general meeting a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as the Directors may determine. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the general meeting, then any member of the Company present

in person or by proxy or (in the case of a corporation) by a duly authorised representative shall be a quorum. Regulations 40 and 41 shall not apply.

- 6.4 In regulation 42 "five" shall be substituted for "fifteen".
- 6.5 At least 14 days' notice must be given of any adjourned meeting (other than any adjourned pursuant to Article 6.3) and Regulation 45 shall be varied accordingly.
- 6.6 A poll demanded on any question shall be taken forthwith. The first three sentences of Regulation 51 shall not apply.
- 6.7 A member may vote, whether on a show of hands or on a poll, in person or by proxy. The words "on a poll" shall be deleted from Regulation 59.
- 6.8 Unless otherwise specified in the notice convening any meeting, an instrument appointing a proxy may be deposited at the registered office of the Company at any time before the time of the meeting or adjourned meeting or be tabled at the meeting or adjourned meeting and, in the case of a poll, may be deposited at the registered office of the Company at any time before the time for taking the poll or be tabled at the taking of the poll. Regulation 62 shall be extended accordingly.

7. DIRECTORS

- 7.1 Whilst there is more than one Director, the quorum for the transaction of the business of the Directors of the Company shall be two Directors (such quorum always to include the Chairman or his alternate and one Nominated Director) present in person or by an alternate. The first sentence of Regulation 89 shall not apply.
- 7.2 Unless otherwise determined by an ordinary resolution of the Company the maximum number of Directors (other than alternate Directors) shall be nine and the minimum number of Directors (other than alternate Directors) shall be one. In the event of the number of Directors being one, a sole Director shall have authority to exercise all the powers and discretions by Table A or these Articles expressed to be vested in the Directors generally.
- 7.3 The holder or holders of the majority of the nominal value of the "A" Ordinary Shares shall be entitled to appoint not more than 5 Directors of the Company ("the "A" Directors") and to remove any such Directors and to make all necessary appointments to fill any vacancy arising. Every such appointment or removal shall be effected by notice in writing to the Company signed by the holder or holders of a majority in nominal value of the issued "A" Ordinary Shares and delivered to the office or to the secretary or produced at a meeting of the Directors.
- 7.4 The holder or holders of a majority in nominal value of the "B" Ordinary Shares shall be entitled to appoint with the approval of the Board (such approval shall only be withheld in the event that the Board has reasonable grounds for objecting to the nominated person) not more than one Director of the Company ("the "B" Director") and to remove such Director and to make all necessary appointments to fill a vacancy arising. Every such appointment or removal shall be subject to the approval of the Board (such approval not to be unreasonable withheld or delayed) and effected by notice in writing to the Company signed by the holder or holders

of a majority in nominal value of the issued "B" Shares and delivered to the office or to the secretary or produced at a meeting of the Directors.

- 7.5 The Directors of the Company holding office immediately prior to the adoption of these Articles shall be deemed to have been appointed by the holder of the "A" Shares pursuant to Article 7.3 hereof.
- 7.6 No Director shall be subject to retirement by rotation and Regulations 73 to 80 inclusive shall not apply.
- 7.7 The Directors shall be entitled to receive a sum of £2,000 per annum by way of remuneration or such other sum as the Company may from time to time by ordinary resolution determine. Regulation 82 shall be amended accordingly.
- 7.8 If immediately upon completion of any sale, assignment, transfer or other disposition of any Shares pursuant to the provisions of these Articles any Shareholder no longer has the right to appoint a Nominated Director pursuant to these Articles, that Shareholder shall forthwith procure the immediate removal or resignation of the relevant Nominated Director appointed by it failing which the other Shareholders shall be entitled to remove such Nominated Director from office under Articles 7.3 and 7.4 (as appropriate) as if such Nominated Director were nominated by them (and in the absence of such removal or resignation each Nominated Director appointed by such Shareholder shall not be entitled to receive notice of, or attend or vote in person or as alternate at, any meeting of the Directors).
- 7.9 Each "A" Nominated Director shall be entitled to nominate, remove and substitute one alternate. Any other Director shall be entitled to appoint any other Director as his alternate or, with the consent of all other Directors, any other person.
- 7.10 Any "A" Shareholder or "B" Shareholder whose Nominated Director is removed by it pursuant to Articles 7.3, 7.4 and 7.8 shall indemnify and keep indemnified the Company against any claim by such Nominated Director for unfair or wrongful dismissal or for compensation for loss of office arising out of such removal.
- 7.11 No Director or alternate Director shall be appointed or removed otherwise than pursuant to this Article 7, save as provided by law.
- 7.12 Not less than seven days' written notice shall be given of any meeting of the Board (unless all Directors agree prospectively or retrospectively otherwise for any particular meeting to shorter notice of such meeting) such notice to be accompanied by an agenda specifying the business to be transacted together with copies of any documents to be tabled at the meeting (or, if such copies are not available, with reasonable details of such documents). It shall be necessary to give notice of meetings of the Board to any Directors or alternates who are absent from the United Kingdom and the last sentence of Regulation 66 shall not apply. Any such notice can be given orally or by facsimile transmission to any Director or any alternate.
- 7.13 No business shall be transacted at any meeting of the Directors unless a quorum is present at the time the meeting proceeds to business. If a quorum is not present within half an hour after the time appointed for the meeting or if during the meeting a quorum ceases to be present, the meeting shall stand adjourned until the same day and time in the following week (or such other day and time as all the

Directors (or their alternates) shall agree) and, at such adjourned meeting, the quorum shall be one "A" Director.

- 7.14 The Directors attending at any meeting of the Board need not be present at one place provided that they are able to hear and communicate with each other by telephone or other instantaneous means throughout the proceedings. Unless the Directors determine to the contrary, the meeting shall be deemed to be held at the place where the majority of the Directors attending are present or, if there is no majority present in any one place, the place where the Chairman of the meeting is present.
- 7.15 Regulation 91 shall be varied so that the Chairman shall be an "A" Director (or his alternate). Regulation 93 shall apply as if the word "signed" included "approved by letter or facsimile transmission".
- 7.16 The interests of the "A" Shareholder(s) or "B" Shareholder(s) which appointed a "A" Director or "B" Director and the interests of its Associated Companies (if any) shall be deemed to be the interests of the "A" Director or "B" Director so appointed. An interest of a Director who appointed an alternate director shall be treated as an interest of the alternate director, without prejudice to any interest which the alternate director otherwise has, but not vice versa.
- 7.17 A Director may vote and act concerning any matter in which he has, directly or indirectly, an interest or duty whether or not the same is material and whether or not it conflicts or may conflict with the interests of the Company; and he shall be counted in the quorum present at any meeting of the directors or a committee of directors notwithstanding such interest or duty. Regulations 94 to 98 (inclusive) shall not apply.

8. SECRETARY

The holder or holders of a majority in nominal value of the "A" Shares shall be entitled to appoint and remove the Secretary of the Company and Regulation 99 of Table A shall be modified accordingly.

9. THE SEAL

If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors so authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or a second Director. Regulation 101 shall not apply. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.

10. NOTICES

The last sentence of Regulation 112 and the words ", if any, within the United Kingdom" in Regulation 116 shall not apply.

11. INDEMNITIES AND INSURANCE

- 11.1 Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Companies Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by section 310 of the Companies Act. Regulation 118 shall not apply.
- 11.2 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, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way 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.

COMPANIES (TABLES A TO F) REGULATIONS 1985

SCHEDULE

TABLE A

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

INTERPRETATION

1. In these regulations:-

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

"**the articles**" means the articles of the company.

"**clear days**" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"**executed**" includes any mode of execution.

"**office**" means the registered office of the company.

"**the holder**" in relation to shares means the member whose name is entered in the register of members as the holder of the shares.

"**the seal**" means the common seal of the company.

"**secretary**" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

"**the United Kingdom**" means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

SHARE CAPITAL

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine.
3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles.
4. The company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
5. Except as required by law, no person shall be recognised by the company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
7. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

8. 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) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.

9. The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
10. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
17. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

18. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
19. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
21. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
22. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

23. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
24. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless:-
 - (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

- (b) it is in respect of only one class of shares; and
 - (c) it is in favour of not more than four transferees.
25. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
26. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
27. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
28. The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

29. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

ALTERATION OF SHARE CAPITAL

32. The company may by ordinary resolution:-
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
33. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee 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 in or invalidity of the proceedings in reference to the sale.
34. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

35. Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

36. All general meetings other than annual general meetings shall be called extraordinary general meetings.
37. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

NOTICE OF GENERAL MEETINGS

38. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:-
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

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

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

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

PROCEEDINGS AT GENERAL MEETINGS

40. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
41. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
42. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
43. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
44. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company.
45. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

46. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
- (a) by the chairman; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

47. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
48. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
49. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
50. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
52. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
53. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was

present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

54. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
56. A member in respect of whom an order had been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
59. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
60. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

" PLC/Limited

I/We, , of , being a member/members of the above-named company, hereby appoint of , or failing him, of , as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company to be held on 19 , and at any adjournment thereof.

Signed on 19 ."

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

" PLC/Limited

I/We, , of , being a member/members of the above-named company, hereby appoint of , or failing him, of , as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company to be held on 19 , and at any adjournment thereof.

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

Resolution No 1 *for *against

Resolution No 2 *for *against.

*Strike out whichever is not desired.

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

Signed this day of 19 ."

62. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:-

- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

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

63. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER OF DIRECTORS

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

ALTERNATE DIRECTORS

65. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
66. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
67. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
68. Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.
69. Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
71. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

72. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

73. At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.
74. Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
75. If the company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.
76. No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless:-
- (a) he is recommended by the directors; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
77. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.

78. Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
79. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
80. Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

81. The office of a director shall be vacated if:-
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (d) he resigns his office by notice to the company; or
 - (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

82. The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

83. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

84. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.
85. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
 - (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
86. For the purposes of regulation 85:-
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DIRECTORS' GRATUITIES AND PENSIONS

87. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

88. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
89. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
91. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
92. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by

one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

94. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:-
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
 - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;
 - (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

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

95. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
96. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
97. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
98. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred

to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

99. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

100. The directors shall cause minutes to be made in books kept for the purpose:-
- (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

101. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

102. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
103. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
104. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

105. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
106. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
107. No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.
108. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

ACCOUNTS

109. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

CAPITALISATION OF PROFITS

110. The directors may with the authority of an ordinary resolution of the company:-
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

- 111. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 112. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.
- 113. A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 114. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
- 115. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 116. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

- 117. If the company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between

the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

118. 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 any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.