

THE COMPANIES ACTS 1985 TO 1989  
PRIVATE COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION

of

PHS Investments ~~DMWSL 279~~ LIMITED



3805412

- I. The name of the Company is "DMWSL 279 Limited".
- II. The Registered Office of the Company will be situate in England and Wales.
- III. The object for which the Company is established is to carry on business as a general commercial company.
- IV. The liability of the members is limited.
- V. The share capital of the Company is £100 divided into 100 shares of £1 each, with power to increase the capital and the Company shall have power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions. \*

WE, the person whose name and address is subscribed, are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we agree to take the number of Shares in the capital of the Company set opposite our name:

\* The authorised share capital of the Company was increased on 30th March, 2001 to £205,000 divided into 20,500,000 shares of £0.01 each.

N. INC £100  
BOS 137417  
S. DAY



Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
DM COMPANY SERVICES (LONDON) LIMITED Royal London House 22/25 Finsbury Square London EC2A 1DS	1
<b>Total Shares Taken</b>	<b>1</b>

Dated the 7th day of July 1999.

WITNESS to the above Signature:

WILLIAM JOHN LUCAS

*WJ Lucas*

Royal London House  
22/25 Finsbury Square  
London  
EC2A 1DS

Trainee Solicitor

*WJ Lucas, Director*

DM COMPANY  
SERVICES (LONDON)  
LIMITED

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PHS Investments ~~DMWSL 279~~ LIMITED

Registered Number 3805412

Incorporated the 7th day of July 1999

---

Adopted by Special Resolution

dated 8<sup>th</sup> July 1999

---

**M**

**Dickson Minto W.S.**  
Royal London House  
22/25 Finsbury Square  
London EC2A 1DS

Tel: 0171 628 4455

Fax: 0171 628 0027

## INDEX

Article	Description	Page
1.	Interpretation	
2.	Preliminary	
3.	Share Capital	
4.	The Ordinary Shares	
12.	Alteration of Capital	
15.	Modification of Rights	
18.	Commission and Interests in Shares	
22.	Dividends	
27.	Power to Satisfy Dividends in Specie	
28.	Share Certificates	
31.	Lien	
34.	Calls on Shares	
41.	Forfeiture of Shares	
48.	Form of Transfer	
54.	Transmission of Shares	
56.	Untraced Members	
58.	Transfer of Shares	
63.	Leavers	
65.	General Offer	
67.	General Meetings	
69.	Notice of General Meetings	
71.	Proceedings at General Meetings	
78.	Voting	
92.	Proxies	
99.	Number of Directors	
100.	Appointment and Retirement of Directors	
104.	Disqualification of Directors	
105.	Rotation and Re-election of Directors	
106.	Executive Directors	
110.	Alternate Directors	
114.	Directors' Fees and Expenses	
116.	Directors' Interests	
125.	General Powers of the Board	
131.	Additional Directors	
132.	Associate Directors	
136.	Pensions	

Article	Description	Page
138.	Borrowing Powers	
140.	Proceedings of the Board	
150.	Minutes	
151.	Secretary	
153.	Seal	
155.	Authentication of Documents	
156.	Reserves	
157.	Capitalisation	
159.	Record Dates	
160.	Accounting Records	
164.	Audit	
165.	Notices	
169.	Destruction of Documents	
170.	Winding Up	
171.	Indemnity	
172.	Fair Price	
173.	Buyer's Compulsory Purchase Notice	
174.	Vendor's Compulsory Purchase Notice	

---

ARTICLES OF ASSOCIATION

OF

PHS Investments ~~DMWSE 279~~ LIMITED

(Adopted by Special Resolution passed on 8<sup>th</sup> July 1999)

---

## INTERPRETATION

1. 1.1 In these Articles, unless the context otherwise requires:

"the Act" means the Companies Act 1985 (as amended by the Companies Act 1989) including any statutory modification or re-enactment thereof for the time being in force;

"acting in concert" bears the same meaning as that ascribed by the Code save that the parties to the Subscription Agreement shall not be deemed to be acting in concert solely by reason of their having executed and their acting in accordance with the Subscription Agreement;

"AIM" means the Alternative Investment Market regulated by the London Stock Exchange;

"Anniversary" means the relevant anniversary of the date of adoption of these Articles;

"Auditors" means the auditors of the Company from time to time;

"Bad Leaver" means a Leaver where the cessation of employment is as a result of the relevant Member:

- (a) resigning (other than as a result of long term or permanent incapacity due to ill health (save where such ill-health arises as a result of an abuse of drink or drugs)); or
- (b) being summarily dismissed or dismissed without full notice or payment in lieu of notice in

circumstances where the Company is not liable to pay him damages for breach of contractor compensation for the cessation of his employment (other than compensation required by statute or statutory instrument) provided that summary dismissal by reason of the Leaver's ill health or becoming of unsound mind or in circumstances where the Leaver is required to cease employment on reaching or exceeding normal retirement age shall not constitute the Leaver a Bad Leaver;

"Board"	means the directors of the Company from time to time or the directors present at a meeting of directors at which a quorum is present or any duly authorised committee thereof;
"business day"	means a day on which banks are open for inter-bank business in the City of London;
"CCPVI Group"	means each of the Original Institutions and any other person whose interest in Shares is subject to a management or advisory contract with Charterhouse Development Capital Holdings Limited (or any of its subsidiaries);
"Chairman"	means the chairman of the Board from time to time;
"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;
"the Code"	means the Edition of the City Code on Take-overs and Mergers published by the Panel on Takeovers and Mergers in force at the date of adoption of these Articles as amended from time to time;
"Co-Investment Scheme"	means a scheme operated by a financial institution whereby certain employees ("eligible employees") of that financial institution or a related or connected financial institution are entitled (as individuals or through a company or

any other legal entity), *inter alia*, to acquire, by transfer or subscription, shares which that financial institution would otherwise become or be entitled to acquire any such Co-Investment Scheme being a financial institution for the purposes of these Articles;

"Connected Person"

bears the meaning ascribed thereto in s.839 of the Income and Corporation Taxes Act 1988 and "persons connected" and "connected" shall be construed accordingly;

"control"

bears the meaning ascribed thereto in s.416 Income and Corporation Taxes Act 1988 and "controlled" shall be construed accordingly;

"Controlling Interest"

means Shares representing not less than 50% of Voting Rights;

"Employee Member"

means any Shareholder who is or has been an employee or director of any member of the Group (excluding any person who is or has been an Institutional Director) and any trust established for the benefit of employees of the group;

"Executive Director"

means a managing director, joint managing director or assistant director of the Company or any other Director who is the holder of any employment or executive office with the Company or any member of the Group;

"Exempt Transferee"

means any person(s) to whom Shares may be transferred within the terms of Article 59;

"Fair Price"

means the price per Share determined in accordance with Article 172;

"Family Settlement"

in relation to any Member who is an individual means any trust or trusts (whether arising under a settlement *inter vivos* or a testamentary disposition by whomsoever made or on intestacy) under which no immediate beneficial interest in the Shares in question is, for the time being, vested in any person other than the Member concerned and/or his Privileged Relations and no power of control over the Voting Rights conferred by such Shares is, for the



time, being exercisable by or subject to the consent of any person other than the trustee or trustees of such trust or trust (in their capacity as such trustees) or the Member concerned or his Privileged Relations;

"financial institution"

means any Member or potential Member who the Remuneration Committee considers to be a bona fide institutional investor;

"FSA"

means the Financial Services Act 1986;

"General Offer"

means a general offer made in accordance with Article 65 by a person who is proposing to acquire or increase a Controlling Interest;

"Good Leaver"

any Leaver other than a Bad Leaver;

"Group"

means the Company and its subsidiaries from time to time and member of the Group shall be construed accordingly;

"Institution"

means the persons whose names and addresses are listed in Schedule 2 to the Subscription Agreement together with any other person who signs a Deed of Adherence to the Subscription Agreement as an Institution in each case until they cease to be an Institution pursuant to Clause 20 of the Subscription Agreement;

"Institutional Consent"

shall bear the meaning attributed thereto in the Subscription Agreement;

"Institutional Director"

means an Institutional Director appointed pursuant to Article 6.2 or if there is no Institutional Director at the relevant time, the Observer (if any);

"Institutional Director Consent"

shall bear the meaning attributed thereto in the Subscription Agreement;

"Leaver"

means any holder of Shares who is employed by the Company or any of its subsidiaries from time to time (other than an Institution or Institutional Director) and who dies or who ceases to be an employee of any such company and does not continue (or is not immediately re-employed) as an employee of any other such company. In this definition and in the definition of

"Bad Leaver" any reference to the date of cessation of employment (or similar) shall be the date upon which the relevant person gives or is given notice of termination of his contract of employment and is no longer required to perform his duties under his employment contract in respect of the Company or its subsidiaries;

"Liquidation"

means the making of a winding-up order by the court or the passing of a resolution by the Members that the Company be wound up;

"Listing"

means the admission of any Ordinary Shares to the Official List of the London Stock Exchange becoming effective, or the granting of permission for any of the Ordinary Shares to be dealt in on any other public securities market (including the AIM) and "float" shall be construed accordingly;

"the London Stock Exchange"

means The London Stock Exchange Limited;

"Managers"

means the persons whose names are listed in Schedule 1 to the Subscription Agreement together with any other person who signs a Deed of Adherence to the Subscription Agreement as a Manager in each case until they cease to be a Manager pursuant to Clause 20 of the Subscription Agreement;

"Member"

means a member of the Company;

"Observer"

means any person appointed pursuant to Article 6.6;

"Offeror"

means any person obliged to make a General Offer;

"the Office"

means the registered office of the Company from time to time;

"Ordinary Shares"

means the ordinary shares of £0.01 in the capital of the Company;

"Ordinary Shareholder"

means a Member who holds Ordinary Shares acting in his capacity as a holder of Ordinary Shares and not in his capacity as a holder of any other class of Shares;

"Original Institution"	means a person whose name and address is set out in rows 1 to 5 (inclusive) of Schedule 2 to the Subscription Agreement;
"Paid up Amount"	means the amount paid up or credited as paid up disregarding any premium;
"Privileged Relation"	means the parent or spouse or former spouse or brother or sister of the Member or any lineal descendant of the Member and for these purposes the step child or adopted child of any person shall be deemed to be that person's lineal descendant;
"related"	means in relation to a body corporate, any holding company of such body corporate or any subsidiary of any such holding company;
"Register"	means the <i>Register of Members</i> ;
"Remuneration Committee"	means the remuneration committee of the Company from time to time or, if there is no remuneration committee, the board of directors of the Company;
"Sale"	means the acquisition of a Controlling Interest by any person (or by persons who in relation to each other are acting in concert);
"Schedule"	means the schedule to these Articles of Association;
"Secretary"	means the secretary of the Company from time to time and includes a joint, temporary or assistant secretary and any person appointed by the Board to perform any of the duties of the secretary;
"Shares"	means shares in the capital of the Company;
"Shareholder"	means a Member;
"SSAP"	means a Statement of Standard Accounting Practice published by the Accounting Standards Committee and in force from time to time;
"Stockholder"	means a Manager who acquired C Loan Stock of DMWSL 280 Limited pursuant to the terms of the Acquisition

Agreement (as such term is defined in the Subscription Agreement) and "Stock" means all or any part of the C Loan Stock so acquired by such Manager;

- "Subscription Agreement" means the agreement to be dated on or around the date of adoption of these Articles between (1) the Company (2) the Managers and (3) the Institutions (all as defined therein) as amended or varied from time to time in accordance with the provisions thereof;
- "Table A" means Table A set out in the Companies (Tables A to F) Regulations 1985 as amended;
- "Transfer Notice" means a notice in writing to the Company given by a Member or person proposing to transfer any Share or dispose of any interest in any Share or deemed to be given by a Member in accordance with the provisions of these Articles;
- "Voting Rights" means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) at and vote (in person or by proxy) at general meetings of the Company; and
- "Yellow Book" means "Admission of Securities to Listing" issued by authority of the Council of the London Stock Exchange as amended or replaced from time to time.
- 1.2 References to writing includes typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form.
- 1.3 Any words or expressions defined in the Act or the Insolvency Act 1986, in either case as at the date when these Articles are adopted, or in the Subscription Agreement, will where the context permits bear the same meaning in these Articles.
- 1.4 References in these Articles to the serving of notices by any particular method shall be construed as permissive only and shall not exclude the actual service or delivery of notice by any other means.
- 1.5 Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and, where an extraordinary resolution is required, a special resolution shall also be effective.

## PRELIMINARY

2. The provisions of Table A shall be excluded in whole from applying to the Company.

## SHARE CAPITAL

3. At the date of adoption of these Articles the authorised share capital of the Company is £20,000 divided into 2,000,000 Ordinary Shares.

\*

## THE ORDINARY SHARES

4. The rights and restrictions attaching to the Ordinary Shares are as follows:

## 4.1 Income

Any profits which the Directors may lawfully determine to distribute shall be distributed among the holders of the Ordinary Shares pro rata in relation to the Paid Up Amount upon each such share.

## 4.2 Capital

The capital and assets of the Company on a winding-up or other return of capital shall be applied among the Ordinary Shares pro rata in relation to the Paid Up Amount upon each such Share as if they constituted one class of Shares.

## 5 Voting

Subject to Article 64.4 and Article 88.2 on a show of hands every Ordinary Shareholder who (being an individual) is present 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 Ordinary Shareholder shall have one vote for every Ordinary Share of which he is the holder.

## 6. Class Rights

- 6.1 Shareholders representing more than 50% in nominal value of the Ordinary Shares from time to time in issue may by notice in writing expressed to be given pursuant to this Article addressed to the Company and delivered to the Office remove from office any director (other than an Institutional Director) and appoint one or more persons to be a director or directors. The Company shall forthwith inform the Director if any such notice is served on the Company pursuant to this Article.

- 6.2 Shareholders more than 50% in nominal value of the Ordinary Shares from time to time in issue may by notice in writing addressed to the Company signed by or on behalf of each of them and delivered to the Office appoint any person or persons to be directors of the Company and designated as an Institutional Director and remove any person or persons so appointed and appoint another person in his place provided always that there are no more than three such persons holding the office of director at any one time. Any such appointee shall be herein referred to as an Institutional Director.

\* The authorised share capital of the Company was increased on 30th March, 2001 to £205,000 divided into 20,500,000 shares of £0.01 each.

- 6.3 Each Institutional Director shall be entitled to all notices and to exercise voting rights and in all other respects be treated as the other directors save.
- 6.4 An Institutional Director shall, at the request of holders of not less than one half in nominal value of the Ordinary Shares then in issue, be appointed to any committee of the Board and as a Director of any subsidiary of the Company.
- 6.5 Any Institutional Director may by notice in writing to the Company appoint any other person (whether Institutional Director or Member or not) to act as his alternate at any meeting of the directors, to remove at any time such appointee and to appoint any other person in his place. The approval of the directors shall not be required to an appointment or removal of an alternate under this Article. The alternate shall be entitled to sit on any committee or as a Director of any subsidiary of the Company of which his appointer is a member or a Director (as the case may be) when his appointer is absent. Save as aforesaid, the provisions of Article 110 to 113 (inclusive) shall apply to any appointment hereunder.
- 6.6 For so long as there are less than three Institutional Directors, Ordinary Shareholders representing not less than one half in nominal value of the Ordinary Shares from time to time in issue shall be entitled, by notice in writing addressed to the Company signed by or on behalf of each of them and delivered to the Office, from time to time to appoint any person or persons as observers (hereinafter an "Observer"), so that there shall not be more than three Institutional Directors and Observers in aggregate at any one time, and to remove any person so appointed and to appoint another person in his place. Each Observer shall have the right to attend all meetings of the directors and of any committee of the Board and to receive such other information as a Director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a Director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the Board but shall not in any circumstances be entitled to vote.
- 6.7 Each Institutional Director and/or Observer shall be entitled to report back to the Shareholders on the affairs of the Company and its subsidiaries and to disclose to the Shareholders such information as he shall reasonably consider appropriate, including, for the avoidance of doubt, all papers distributed to the Board.
7. Subject to any special rights conferred on the holders of any Shares or class of Shares, any Share may be issued with or have attached thereto such rights or restrictions as the Company may by ordinary resolution determine or, if there has not been any such resolution or so far as the same shall not make specific provision, as the Board may determine. Subject to the Act and these Articles any Shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed.
8. Subject to the Act and these Articles the Company may purchase Shares.

9. Subject to the provisions of the Act and of every other statute for the time being in force concerning companies and affecting the Company and to the provisions of these Articles and any direction to the contrary that may be given by ordinary resolution of the Company, all the unissued Shares (including any redeemable Shares) of the Company (whether forming part of the existing or any increased capital) shall be at the disposal of the directors, who may offer, allot, issue, grant options or rights over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the directors may determine, but so that no Shares shall be issued at a discount.
10. For the purposes of Section 80 of the Act, the directors are authorised generally and unconditionally to allot without the authority of the Company in general meeting up to a maximum of such amount of relevant securities as are authorised but unissued at the date of the adoption of these Articles as the Articles of Association of the Company, such authority expiring on the fifth anniversary of the date of the adoption of these Articles. In this Article, references to the allotment of relevant securities shall be construed in accordance with Section 80 of the Act.
11. Subject to the Act and save for allotments made pursuant to Clause 3 and/or Clause 17 of the Subscription Agreement or the allotment of those shares referred to in recital B to the Subscription Agreement (to which such allotments the pre-emption provisions of section 89(1) and section 90(1)-(6) of the Act shall not apply) the pre-emption provisions of section 89(1) and section 90(1) - (6) of the Act shall, save as otherwise resolved by Special Resolution of the Company, apply to any allotment of the Company's equity securities.

#### ALTERATION OF CAPITAL

12. The Company may from time to time by ordinary resolution:
  - 12.1 increase its capital by such sum, to be divided into Shares of such amounts, as the resolution prescribes and subject to the Act may by such resolution direct that the new Shares or any of them will first be offered to all the holders for the time being of Shares of any class or classes in proportion to the number of such Shares held by them respectively or may make any other provisions as to issue of the new Shares;
  - 12.2 consolidate all or any of its capital into Shares of larger amounts than its existing Shares;
  - 12.3 cancel any Shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the Shares so cancelled; and
  - 12.4 subdivide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the Shares resulting from such subdivision, one or more of such Shares may have any such rights (deferred or otherwise) or be subject to any such restrictions which are different to the rights or restrictions attaching to the other such Shares.

13. The Board may settle as it considers expedient any difficulty which may arise in relation to any consolidation or division under Article 12.2 or Article 12.4 and in particular may issue fractional certificates or arrange for the sale of the Shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fraction(s), (but shall not be required to distribute to any Member a sum of less than £5 in respect thereof and may retain such amounts for its own account) and for this purpose the Board may authorise some person to transfer the Shares representing fractions to the purchaser. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the Shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
14. The Company may from time to time by special resolution, subject to any confirmation or consent required by law and subject to Article [4.7], reduce its authorised and issued share capital or any capital redemption reserve or any share premium account in any manner.

#### MODIFICATION OF RIGHTS

15. Subject to the Act, all or any of the special rights for the time being attaching to any class of Shares may from time to time (whether by these Articles or otherwise and whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three quarters of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such Shares.
16. To any separate general meeting of the holders of any class of Shares, all the provisions of these Articles as to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
  - 16.1 the necessary quorum shall be any person holding or representing by proxy not less than one-third in nominal amount of the issued Shares of the class;
  - 16.2 every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him;
  - 16.3 any holder of Shares of the class present in person or by proxy may demand a poll; and
  - 16.4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of Shares held by him) shall be a quorum and for the purpose of this Article one holder present in person or by proxy may constitute a meeting.
17. The special rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Shares, be deemed to be altered by the creation or issue of further Shares ranking *pari passu* therewith.

#### COMMISSION AND INTERESTS IN SHARES

18. The Company may in connection with the allotment or issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the 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.

19. The Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.
20. The Company shall duly comply with any provisions of the Act as to the minimum subscription on which the Company may proceed to an allotment of its Shares.
21. Subject to the Act and these Articles, the Board may at any time after the allotment of Shares but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a Share a right to effect such renunciation upon and subject to such terms and conditions as the Board sees fit to impose.

#### DIVIDENDS

22. Notwithstanding any other provision of these Articles no dividend, charge or fee (where such charge or fee is payable to members and falls to be treated as a distribution in accordance with the Act) or other distribution (whether in respect of the Ordinary Shares or any other share capital of the Company) shall be declared or paid or resolved to be so declared or paid except out of the profits of the Company available for distribution in accordance with the provisions of the Act.
23. Subject to the provisions of the Act (and without limiting the powers conferred by or pursuant to Section 130 to 134 of the Act), if any interest in the share capital of a company or any business or other property or asset is acquired by the Company as from a past date or with the benefit of any dividends paid or to be paid in respect of a past period (whether such date is before or after the incorporation of the Company) the profits or losses in respect of the shares, business, property or assets so acquired as from such date or during such period may at the discretion of the Board be treated in whole or in part for all purposes as profits or losses of the Company.
24. No larger dividend in respect of the Shares shall be declared than is recommended by the Board but the Company may by ordinary resolution declare a smaller dividend.
25. All unclaimed dividends may be invested or otherwise made use of by the Board as they shall think fit, until the same be claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof and any dividend unclaimed after a period of 12 years from the date of payment of such dividend shall be forfeited and shall revert to the Company.
26. No dividend or other moneys payable on or in respect of any Share in the capital of the Company shall bear interest against the Company.

## POWER TO SATISFY DIVIDEND IN SPECIE,

## FRACTIONAL CERTIFICATES AND CASH ADJUSTMENTS

27. With the sanction of an ordinary resolution of the Company, and upon the recommendation of the Board, any dividend on the Shares may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, or partly in one way and partly in another or others, and where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks expedient, and in particular it may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.

## SHARE CERTIFICATES

28. Every person whose name is entered as a holder of any Shares in the Register is entitled, without payment, to receive one certificate for all such Shares of any one class or several certificates each for one or more of such Shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines. In the case of a Share held jointly by several persons, delivery of a certificate to one of several joint holders shall for all purposes be sufficient delivery to all such joint holders. A Member who has transferred part of the Shares comprised in one certificate is entitled to a certificate for the balance without charge.
29. Every certificate will:
- 29.1 be issued (in the case of an issue of Shares) within two months (or within such period as the terms of the issue provide) after allotment or (in the case of a transfer of fully paid Shares) within twenty eight days after lodgement of a transfer with the Company, not being a transfer which the Company is for the time being entitled to refuse to register and does not register; and
  - 29.2 specify the number and class and distinguishing numbers (if any) of the Shares to which it relates, and the amount paid up thereon (excluding any premium). The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificate by some mechanical means or may be printed thereon or that such certificates need not be signed by any person. All certificates for Ordinary Shares shall bear distinguishing numbers.
30. If a Share certificate is defaced, lost or destroyed it may be replaced without charge but on such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in such case of defacement, on delivery of the old certificate to the Company.

## LIEN

31. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all amounts payable in respect of such Share. The Company's lien on a Share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case waive any lien that has arisen or declare any Share exempt in whole or in part from the provisions of this Article.
32. Subject to these Articles the Company may sell, in such manner as the Board determines, any Share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable or until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of the intention to sell in default, has been served on the holder for the time being of the Share or the person entitled thereto by reason of his death or bankruptcy or liquidation (being a body corporate).
33. The net proceeds of the sale shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the Share prior to the sale) be paid to the person entitled to the Share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.

## CALLS ON SHARES

34. Subject to these Articles and to the terms of allotment the Board may make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal amount or premium), and each Member shall (subject to being given at least fourteen clear days' notice specifying when payment is to be made) pay to the Company as required by such notice the amount called on his Shares. A call may be postponed or revoked in whole or in part as the Board determines.
35. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
36. A person upon whom a call is made will remain liable for calls made upon him prior to the date of transfer notwithstanding the subsequent transfer of the Shares in respect of which the call was made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
37. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom it is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of allotment of the Share or in the notice of call or, if no rate is fixed, at the appropriate rate (as defined in the Act), but the Board may waive payment of such interest wholly or in part.

38. Any amount payable in respect of a Share upon 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 all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if that amount had become due and payable by virtue of a call.
39. On the allotment or issue of Shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
40. The Board may receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the Shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Board agree.

#### FORFEITURE OF SHARES

41. If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than seven clear days' notice:

- 41.1 requiring payment of the amount unpaid together with any interest which may have accrued; and

- 41.2 stating that if the notice is not complied with the Shares on which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any Share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends declared before the forfeiture but not actually paid on the forfeited Shares.

42. When any Share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the Share. No forfeiture shall be invalidated by any omission or neglect to give such notice.
43. The Board may accept the surrender of any Share liable to be forfeited hereunder, and in such case, references in these Articles to forfeiture will include surrender.
44. Until cancelled in accordance with the requirements of the Act, a forfeited Share will be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person(s), upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines. The Board may if necessary authorise some person to transfer a forfeited Share to any such other person as aforesaid.
45. A person whose Share has been forfeited shall cease to be a Member in respect of that Share but nevertheless shall remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the Share, with interest thereon from the date of forfeiture until payment at the rate fixed by the terms of allotment of the Share or in the notice of call or, if no rate is fixed, at the appropriate rate (as defined in

the Act). The Board may enforce payment without allowance for the value of the forfeited Share.

46. 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 therein stated 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 transferred 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 to the proceedings in reference to the forfeiture or disposal of the Share.
47. A person executing an instrument of transfer of Shares shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the Register in respect thereof.

#### FORM OF TRANSFER

48. 48.1 Subject to the restrictions contained in these Articles, any Member may transfer all or any of his Shares but every transfer must be:
- 48.1.1 in writing and in the usual common form, or in any other form which the Board may approve; and
  - 48.1.2 left at the Office, or at such other place as the directors may determine, for registration; and
  - 48.1.3 accompanied by a certificate(s) covering the Shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the Shares; and
  - 48.1.4 if required pursuant to the terms of the Subscription Agreement, accompanied by a Deed of Adherence executed by the transferee.
- 48.2 The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid Share only) by the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Register in respect thereof.
49. The Board, in its absolute discretion, and without giving any reason therefor, may refuse to register:
- 49.1 a transfer of any Share which is not a fully paid Share;
  - 49.2 a transfer in favour of more than four persons jointly;
  - 49.3 a transfer which relates to Shares of more than one class; and
  - 49.4 a transfer which is not duly stamped, lodged with the Company and accompanied by the certificate for the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

and in any event shall, in the case of a transfer which requires to be accompanied by a Deed of Adherence pursuant to the terms of the Subscription Agreement, refuse to register any such transfer which is not accompanied by a Deed of Adherence executed by the transferee.

50. If the Board refuses to register a transfer of a Share, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
51. The registration of transfers of Shares or of any class of Shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may determine.
52. No fee shall be charged for the registration of any transfer or other document relating to or affecting the title to any Share, or for otherwise making any entry in the Register relating to any Share.
53. All registered transfers will be retained by the Company for the period of six years referred to in Article 169, but all others shall (except in any case of fraud) be returned to the person depositing them.

#### TRANSMISSION OF SHARES

54. Subject to Article 63 if a Member dies the survivor, or survivors where the deceased was a joint holder, or his representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the deceased Member's Shares; but nothing in this Article will release the estate of a deceased Member from any liability in respect of any Share which had been jointly held by him.
55. A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member being an individual or in consequence of the liquidation of a Member (being a body corporate) shall be entitled to receive and may give a receipt or discharge for all benefits arising or accruing on or in respect of the Share, but he shall not be entitled in respect of that Share to attend or vote at meetings of the Company, or, save as aforesaid, to exercise in respect of any Share any of the rights or privileges of a Member, unless and until he shall (in accordance with these Articles) have become a Member in respect of the Share, and the provisions of Articles 58 to 65 and 88.2 shall apply as appropriate to any Transfer or proposed transfer by such person of any Shares or interest in Shares.

#### UNTRACED MEMBERS

56. The Company may sell the Shares of a Member or the Shares to which a person is entitled by means of transmission if and provided that:
  - 56.1 during a period of twelve years all warrants and cheques sent by the Company through the post in a prepaid letter addressed to the Member at his registered address or to the person so entitled at the address (if any) shown in the Register as his address have remained uncashed; and
  - 56.2 the Company shall advertise both in a leading daily newspaper published in England and Wales and in a newspaper circulating in the area of the said address giving notice of its intention to sell the said Shares; and

56.3 during such period of twelve years and the period of three months following such advertisements the Company has had no indication that such Member or person can be traced.

57. To give effect to any such sale as is referred to in Article 56, the Company may appoint any person to execute as transferor an instrument of transfer of such Shares or any of them and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such Shares. A statutory declaration in writing that the declarant is a Director or Secretary of the Company and that a Share has been duly sold by the Company in accordance with its powers under Article 56 on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. The Company shall account to the Member or other person entitled to such Shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any moneys not accounted for to the Member or other person entitled to such Shares shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than Shares of the Company or its holding company, if any) as the Board may from time to time determine.

#### TRANSFERS OF SHARES

58. The Board shall refuse to register a transfer not made pursuant to or permitted by Articles 59 to 65 and 88.2 but subject to Articles 60.9.2 and 61.9.2, shall not be entitled to refuse to register any transfer made pursuant to or permitted by Articles 59 to 65 unless the relevant transfer shall fail to comply with the provision of Articles 48 or the board is entitled to do so under Article 49.
59. 59.1 59.1.1 Ordinary Shares may be transferred by a Corporate Member, (an "original member") other than by any such company as is referred to in either Article 59.7 or Article 59.8, to a company which is its wholly-owning holding company or to any wholly-owned subsidiary of itself or of such holding company (the group comprising all such companies which are from time to time either the wholly owning holding company of the original member or a wholly-owned subsidiary of such holding company being hereinafter referred to as an "original group") any such transferee may transfer Ordinary Shares so transferred to it to any other member of the original group (the transferee and any such further transferee being referred to as a "group transferee") provided that if any group transferee ceases to be comprised in the original group while it is the holder of any such Ordinary Shares then such group transferee shall be obliged to transfer any Ordinary Shares transferred to it pursuant to the provisions of this Article 59.1.1 to the original member or any other member of the original group ("an acquiror") at a price to be agreed between that group transferee and the acquiror or, failing agreement within 30 days of such transfer being required, at Fair Price and in the event of any group transferee failing to execute such a transfer within 35 days of being required so to do and to present it to the Board duly stamped for registration within a reasonable time thereafter the Board may appoint some person to execute (an)

instrument(s) of transfer of such Ordinary Shares in favour of the original member in relation to such group transferee and shall thereupon cause the name of such original member to be entered in the Register as the holder of the Ordinary Shares.

- 59.1.2 References in this Article 59.1 to holding company, company, companies and wholly-owned subsidiaries shall be deemed to include any such body corporate incorporated outside Great Britain and to include any investment fund (however constituted and whether incorporated or not) which is managed or advised by any such bodies corporate and any custodian, nominee, trustee or other person holding a fiduciary position in relation to such an investment fund or its assets which, in each case, shall be deemed to be wholly owned and "Corporate Member" shall be deemed to include any such body.
- 59.1.3 For the avoidance of doubt the alteration of the composition or identity of the trustees of any trust holding Shares or any change in the managers of any fund holding Shares shall be deemed not to be an event which would require a transfer to be made pursuant to this Article 59.
- 59.2 Ordinary Shares may be transferred without restriction by a Member to a person to hold such Shares as his nominee but any transfers by such nominee shall be subject to the same restrictions as though they were transfers by the Member himself (as if such Member had not ceased to be the holder of such Ordinary Shares).
- 59.3 Ordinary Shares may be transferred without restriction by a nominee to the beneficial owner thereof or to another nominee of the same beneficial owner.
- 59.4 A Member which is a financial institution holding Ordinary Shares on behalf of or as nominee for a limited partnership which is a financial institution may transfer such shares to partners in such limited partnership or to any person in his capacity as general partner of that limited partnership and a Member which is a financial institution holding Ordinary Shares on behalf of or as a nominee for a fund which is a financial institution managed by such Member may transfer such Ordinary shares to or hold such shares as nominee for any other fund which is a financial institution of which he is a manager or to any other manager of the same fund.
- 59.5 A Member who is a Financial Institution holding Ordinary Shares on behalf of or as nominee for a unit trust may transfer such shares to a holder of units in such trust in accordance with the trust deed governing such trust or to any person in its capacity as trustee of such trust.
- 59.6 59.6.1 Any Member who is an individual may transfer any Ordinary Shares to the trustees of a pension fund set up wholly for the benefit of such Member and/or for any Privileged Relation of such Member ("pension fund") provided that such trustees shall be deemed to hold the Ordinary Shares for the benefit of such Member and/or for



any Privileged Relation of such Member and provided further that prior to such transfer being made the trustees give an undertaking under seal to the Company that in the event of the pension fund ceasing to exist or coming to be held for the benefit of a person or persons other than such Member and/or for any Privileged Relation of such Member, the Ordinary Shares then held by the trustees which were transferred to it pursuant to this Article 59.6.1 shall be transferred back to the Member by whom they were transferred to the trustees or former trustees of the pension fund and, in the event of such Member ceasing to be employed by the Company or any subsidiary in circumstances in which, if he were still a Member, he could be obliged to transfer any of such Ordinary Shares pursuant to Article 63, Article 63 shall apply to any such Ordinary Shares then held by the trustees of the pension fund as if the trustees of the pension fund were such Member and hence a Leaver. The trustees of a pension fund to whom Ordinary Shares are transferred pursuant to this Article 59.6.1 may transfer such Ordinary Shares to any new or additional trustee(s) of such pension fund or another pension fund of the Member who transferred the Ordinary Shares to the first pension fund provided that the forgoing provisions of this Article 59.6.1 shall apply to any such transfer or proposed transfer in the like manner as if the Transfer were being made by the Member who transferred such shares to the transferring trustees.

59.6.2 The provisions of Article 59.6.1 which apply upon the Member referred to ceasing to be employed by the Company or any subsidiary shall apply mutatis mutandis to the trustees of a pension fund who have subscribed for Ordinary Shares if the beneficiaries of such pension fund were at the time of the subscription employees of the Company or any subsidiary of the Company and/or Privileged Relations of such employees.

59.7 59.7.1 Any Member who is an individual may transfer any Ordinary Shares to any Privileged Relation or to the trustee or trustees of a Family Settlement or to any company which is controlled by such trustee or trustees (hereinafter "a Family Settlement Company") (and such trustees or Privileged Relations or Family Settlement Companies may transfer Ordinary Shares to each other) provided that in the event of such Member ceasing to be employed by the Company or any subsidiary in circumstances in which, if he were still a Member, he could be obliged to transfer any of such Ordinary Shares pursuant to Article 63, Article 63 shall apply to any such Ordinary Shares then held by such Privileged Relation, trustees of the Family Settlement or company as if such Privileged Relation, the trustee or trustees of the Family Settlement or such company were such Member and hence a Leaver.

59.7.2 If any Family Settlement or any Family Settlement Company which holds Ordinary Shares acquired pursuant to Article

59.7.1 ceases to be a Family Settlement or a Family Settlement Company in relation to the Member who transferred such Ordinary Shares into the settlement the trustee or trustees of such settlement or controlling such company shall forthwith notify the Board of such change and shall be deemed to have served a Transfer Notice or Transfer Notices in respect of all Ordinary Shares held by it and the Specified Price (as defined in Article 60.2 or Article 61.2 as appropriate) shall be deemed to be the Fair Price ascertained pursuant to Article 172 and the provisions of Articles 60.3 to 60.11 or Articles 61.3 to 61.11 as appropriate shall apply to such Ordinary Shares and the Board shall be obliged to give notice pursuant to the provisions of Article 60.3 or 61.3 as appropriate forthwith after the Specified Price has been ascertained.

- 59.8 Where any Ordinary Shares have been transferred by a Member pursuant to Article 59.7.1 to the trustee or trustees of a Family Settlement in relation to such Member or any company which is controlled by such trustee or trustees then such trustees or company may transfer any such Ordinary Shares in the case of such a company to the trustees or in the case of the trustees to any new or additional trustees of such Family Settlement or trustees in respect of another Family Settlement in relation to the Member who transferred the Ordinary Shares to the first Family Settlement or to any beneficiary of such Family Settlement who is that Member or a Privileged Relation of his provided that in the event of such Member ceasing to be employed by the Company or any subsidiary in circumstances in which, if he were still a Member, he would be obliged to transfer any of such Ordinary Shares pursuant to Article 63, Article 63 shall apply as if the relevant trustee or trustees or beneficiaries of the Family Settlement were such Member and hence a Leaver.
- 59.9 Subject only to Article 48 and Article 49 an Original Institution may transfer Shares within one year of the date of the adoption of these Articles to any financial institution.
- 59.10 Any Member who is a financial institution may transfer any Shares to or pursuant to any Co-Investment Scheme operated by it.
- 59.11 Any individual, company or trustee holding Shares as nominee or trustee for the participants of any Co-Investment Scheme may transfer such Shares to any other individual, company or trustee holding Shares as nominee or trustee for the participants of such Co-Investment Scheme and any Member being a nominee or trustee for the individuals participating in any Co-Investment Scheme may transfer Shares held in that capacity to the individuals beneficially entitled to them.
- 59.12 The provisions of this Article 59 shall be subject to Article 88.2.
- 59.13 Any shares may at any time be transferred to any member of the CCPVI Group without restriction.
60. 60.1 Save as provided by Article 59 and Article 62.2 or as required by Article 63 no Member or person entitled by transmission shall transfer or dispose of or agree to transfer or dispose of or grant any interest or right in any Ordinary Share or any interest therein to any person (hereinafter

a "transferee") without first offering the same for transfer to the holders for the time being of Ordinary Shares (other than the proposing transferor). Such offer may be in respect of all or part only of the Ordinary Shares held by the proposing transferor and shall be made by the proposing transferor by the giving in writing of a Transfer Notice.

- 60.2 Each Transfer Notice shall specify the Ordinary Shares offered (hereinafter called "the Sale Shares") and the price at which they are offered (hereinafter called "the Specified Price") and (unless the Transfer Notice is deemed given as provided by these Articles) the identity(ies) of the proposed transferee(s) and it shall constitute the Board as the agent of the proposing transferor for the sale of the Sale Shares to the other holders of Ordinary Shares (other than the proposing transferor) at a price not less than the Specified Price.
- 60.3 Upon receipt or deemed receipt by the Company of the Transfer Notice the Board shall forthwith give written notice to the Ordinary Shareholders (other than the proposing transferor) of the number and description of the Sale Shares and the Specified Price and (unless the Transfer Notice is deemed given as provided by these Articles) the identity(ies) of the proposed transferee(s) inviting each of such holders and such other persons to state by notice in writing to the Company within 60 days whether he is willing to purchase any and, if so, what maximum number of the Sale Shares ("Maximum") he is willing to purchase, and shall also forthwith give a copy of such notice to the proposing transferor. A person who, pursuant to such a notice, expresses a willingness to purchase any Sale Shares is referred to below as a "Purchaser".
- 60.4 Within 10 days of the expiration of the said period of 60 days the Board shall, subject to Article 60.6 below, allocate the Sale Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:
- 60.4.1 if the transfer is by an Employee Member, first to any employee or prospective employee of the Group or any employee trust nominated for the purpose by the Remuneration Committee, second to other Employee Members and third to Shareholders who are not Employee Members; and
- 60.4.2 if the transfer is by a Shareholder who is not an Employee Member to other Shareholders who are not Employee Members (and for the avoidance of doubt such shares need not be offered to Employee Members).
- 60.5 Each allocation among the holders of any class of Shares shall in the case of competition be made pro-rata to the number of Shares of that class held by them but individual allocations shall not exceed the Maximum which the relevant holder shall have expressed a willingness to purchase. Subject thereto, Sale Shares shall only be allocated to Purchasers who are holders of a class of Shares different from the Sale Shares to the extent that any remain unallocated after satisfaction of the Maximum of holders of the class(es) of Shares entitled to a prior allocation.

- 60.6 If the Transfer Notice shall state that the intending transferor is not willing to transfer part only of the Sale Shares, no allocation shall be made unless all the Sale Shares are allocated.
- 60.7 Forthwith upon such allocation being made, the Purchasers to or amongst whom such allocation has been made shall, subject to Article 65 be bound to pay to the Company (as agent for the proposing transferor) the Specified Price for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the proposing transferor shall, subject to Article 65 be bound forthwith upon payment of the Specified Price as aforesaid to deliver to the Company (as agent for the Purchasers) such documents as are required to transfer such Shares to the respective Purchasers.
- 60.8 If in any case the proposing transferor, after having become bound to transfer Shares as aforesaid, makes default in so doing the Company may receive the Specified Price and the Board may appoint some person to execute instruments of transfer of such Shares in favour of the Purchasers and shall thereupon subject to such transfers being properly stamped cause the name of each of the Purchasers to be entered in the Register as the holder of those Shares allocated to him as aforesaid and shall hold the Specified Price in trust for the proposing transferor. The receipt of the Company therefor shall be a good discharge to the Purchasers and after their names shall have been entered in the Register in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person.
- 60.9 If, at the expiration of the period of 10 days referred to in Article 60.4 above, any of the Sale Shares have not been allocated in accordance with the provisions of this Article 60, the proposing transferor may subject to Article 65 at any time within a period of 60 days after the expiration of the said period of 10 days referred to in Article 60.4 above transfer the Sale Shares not so sold to the proposed transferee(s) specified in the Transfer Notice, or to any other person at any price not being less than the Specified Price. Provided that:
- 60.9.1 if the Transfer Notice shall contain the statement referred to in Article 60.6 he shall not be entitled hereunder to transfer any of such Shares unless in aggregate all of such Shares are so transferred;
- 60.9.2 the Board may require to be satisfied on reasonable grounds that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer.
- 60.10 The restrictions on transfer contained in this Article 60 shall apply to all transfers and transmissions by operation of law or otherwise of Ordinary Shares.
61. Where a Member or other person is under these Articles deemed to have served a Transfer Notice in respect of Ordinary Shares, such Transfer Notice shall be deemed not to contain the statement referred to in Article 60.6.

- 62. 62.1 Save as provided by Article 59 or by Article 62.3 or required by Article 61.7 or Article 63 no Member or person entitled by transmission shall be entitled to transfer or dispose of any interest or right in any Share or any interest therein (other than a Leaver or a person entitled by transmission as a result of a Member becoming a Leaver by reason of his dying) without the prior consent in writing of a majority by nominal value of the Shareholders.
- 62.2 Notwithstanding any other provision of these Articles but subject to Article 48 and Article 49 any Member may transfer any Ordinary Share with the prior consent in writing of Members holding not less than 80% of the Ordinary Shares then in issue.
- 62.3 If a Member who is an employee of the Company or any subsidiary has charged, mortgaged or in any way encumbered any of his Ordinary Shares (with such consent as may be required from time to time under the Subscription Agreement) then if under any circumstances any third party enforces any rights in respect of such Ordinary Shares as a result of such charge, mortgage or encumbrance, then such Member shall be deemed to have given a Transfer Notice and the Specified Price shall be the Fair Price in respect of that number of each class of Shares held by such Member in respect of which the enforcement is effected.

#### LEAVERS

- 63. Subject to Article 64.5 a Leaver shall be deemed on the date of cessation of employment to have served a separate Transfer Notice in respect of all of the Shares then held by him (and such deemed Transfer Notice shall supersede any previous Transfer Notice which has not completed).
- 64. On the deemed service of a Transfer Notice pursuant to Article 63 the provisions of Article 60 and/or Article 61 (as appropriate) shall apply save that:
  - 64.1 the Purchaser may be any person or persons (other than the Company) identified within 3 months of the Leaver ceasing to be an employee of the Group by the Board (and approved as a Purchaser by a majority of the Institutional Directors) each such person being an employee or proposed employee of the Group or an employee trust and, if such a person or persons are identified, the Sale Shares shall be offered and allocated to any person or persons prior to being offered or allocated to existing Members in accordance with Article 60.4 and/or Article 61.4 as appropriate.
  - 64.2. The Specified Price in respect of any Shares the subject of a Transfer Notice deemed to be given pursuant to Article 63 shall be:
    - 64.2.1 in respect of a Good Leaver who becomes a Good Leaver prior to 30th June 2000 and in respect of a Bad Leaver the lower of:
      - 64.2.1.1 the subscription price paid therefor (including any premium paid thereupon) together with an amount equivalent to simple interest on such sum at a rate of 2% below the base rate from time to time of the Royal Bank of Scotland for the period from the date of subscription for the relevant

Shares until the date upon which payment for the relevant Shares is made hereunder; and

64.2.1.2 the Fair Price;

64.2.2 in respect of a Good Leaver (other than a Good Leaver who becomes a Good Leaver prior to 30th June 2000) - the Fair Price.

64.3 The period of 60 days referred to in Articles 60.3 and 61.3 shall not commence until the earliest of:

64.3.1 the expiry of the one month period referred to in Article 64.5;

64.3.2 the exercise of the right of the Institutional Director referred to in Article 64.5; and

64.3.3 the Institutional Director notifying the Company and the Leaver that they do not intend to exercise their rights under Article 64.5.

64.4 Notwithstanding any other provision herein contained if a Leaver retains Shares he shall have all the rights of and shall rank *pari passu* with the other holders of the class or classes of Shares held by him save that he shall be deemed on a poll to vote at any general meeting of the Company or class meeting of the Company in the same manner as the majority of the votes cast at the relevant meeting by holders of each relevant class of shares and shall be deemed to grant any consent in respect of any matters to be consented to in respect of any such meetings where a majority of the other shareholders in each relevant class of shares have so consented and shall not otherwise be entitled to vote at any such meeting.

64.5 The Institutional Directors may, by notice in writing served on the Company and the Leaver prior to the expiry of three months from the date upon which the relevant person became a Leaver, specify that not all of the Leavers Shares are to be the subject of the deemed Transfer Notice.

64.6 Notwithstanding any other provision herein contained, if a Good Leaver is deemed to have served a separate Transfer Notice in respect of all or any of the Shares then held by him pursuant to Article 63 and such Good Leaver is also a Stockholder, such Shares may only be acquired if the Company procures that a proportion of the Stock held by such Stockholder equal to the proportion which the Shares to be acquired bears to the total number of Shares held by the Good Leaver is purchased either by the Company or by a third party.

#### GENERAL OFFER

65. Notwithstanding any other provision of these Articles, but save for transfers to any person who is an Original Institution no sale or transfer of, or transfer of any interest in, any Shares conferring a right to vote at general meetings of the Company to any person whomsoever, which would result, if made and, if appropriate, registered, in a person (together with persons acting in concert therewith) whether or not then a member of the Company obtaining or

increasing a Controlling Interest in the Company, shall, prior to Listing, be made or registered and no right to subscribe for any Shares which would result, when such Shares are issued, in such a person obtaining or increasing a Controlling Interest in the Company shall be exercised prior to Listing unless:

65.1 a General Offer is made to all Shareholders to purchase all the Ordinary Shares in issue and all the unissued Ordinary Shares for which any person shall then be entitled to subscribe; and

65.2 the relevant offer is approved by the Institutional Director.

Any General Offer shall conform to the requirements of the Code (so far as applicable and subject as hereinafter provided) as if the Code applied to such General Offer (with the Remuneration Committee making any determinations which would otherwise fall to be made by the Panel) and shall attribute an equal value to each Ordinary Share:

It shall be a term of a General Offer and of any agreement to acquire any Shares pursuant thereto that a Controlling Interest is only obtained or increased in consequence of such General Offer or agreement if such General Offer becomes wholly unconditional in respect of each class of Ordinary Shares. Any General Offer shall be made in writing (stipulated to be open for acceptance for at least twenty-eight days) to all Shareholders and shall include an undertaking by the offeror that neither he nor his Connected Persons have within the 6 months immediately preceding the making of the General Offer entered into more favourable terms with any other Shareholder for the purchase of Shares of the same class. Such a General Offer shall be accepted or rejected in writing within the time period stipulated and shall be deemed to have been rejected by a Shareholder if he does not respond within such time period.

66. Any transfer of Shares which is made pursuant to an acceptance of any General Offer shall not be subject to the restrictions on transfer contained in Articles 58 to 64 inclusive.

#### GENERAL MEETINGS

67. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint. Each general meeting, other than an annual general meeting, will be called an extraordinary general meeting.

68. The Board 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 forty-two days after receipt of the requisition.

#### NOTICE OF GENERAL MEETINGS

69. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than twenty one clear days' notice in writing. All other extraordinary general meetings may be called by not less than fourteen clear days' notice in writing but a general meeting may be called by shorter notice if it is so agreed:

- 69.1 in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- 69.2 in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than such as, under the provisions of these Articles or the terms of issue of the Shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a Share in consequence of the death or bankruptcy of a Member or liquidation if the Member is a body corporate (provided the address of any such person has been given to the Company) and to the directors and the Auditors.

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

#### PROCEEDINGS AT GENERAL MEETINGS

- 71. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring dividends, the reading, consideration and adoption of the accounts and balance sheet and the ordinary reports of the directors and Auditors and other documents required to be annexed to the balance sheet, the election of directors and appointment of the Auditors and other officers in the place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors and the voting of remuneration or extra remuneration to the directors.
- 72. No business shall be transacted at any general meeting unless a quorum is present throughout the meeting but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not for this purpose be treated as part of the business of the meeting. Save as provided in relation to an adjourned meeting, until Conversion any two Members entitled to attend and vote at the meeting provided that one is an Institution, and thereafter any two Members, present in person or by proxy shall be a quorum for all purposes.
- 73. If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it 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 Chairman may determine. If at the adjourned meeting and prior to Conversion a quorum is not present within fifteen minutes from the time appointed for the meeting, two persons entitled to be counted in a quorum present at the meeting in person or by proxy shall be a quorum.



74. Notwithstanding that he is not a Member each director may attend and speak at any general meeting and any separate meeting of the holders of any class of shares in the Company.
75. The Chairman, if any, of the Board or, in his absence, a deputy chairman, if any, shall preside as chairman at every general meeting. If there is no such Chairman or deputy chairman, or if at any meeting neither the Chairman nor a deputy chairman is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman of the meeting, the Institutional Directors present or, if there are no Institutional Directors present the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman or if no willing director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to chairman.
76. The Chairman may, with the consent of any 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 any adjourned meeting other than business which might lawfully 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 of the adjourned meeting 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 be unnecessary to give notice of an adjournment.
77. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error not involving any departure from the substance of the resolution) may in any event be considered or voted upon.

#### VOTING

78. 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 demanded:
  - 78.1 by the chairman; or
  - 78.2 by at least two Members entitled to vote at the meeting; or
  - 78.3 by a Member or Members representing not less than one-tenth of Voting Rights at the meeting; or
  - 78.4 by a Member or Members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all 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.
79. 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 minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

80. 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 (being not later than 30 days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
81. If a poll is duly demanded, it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers or tickets), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may in the event of a poll, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
82. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
83. On a poll votes may be given either personally or by proxy. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
84. The chairman of the meeting shall not be entitled to a casting vote in addition to any other vote he may have.
85. In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
86. A Member who is a patient for any purposes of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll and by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office not less than three days before the time for holding the meeting.
87. No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares have been paid.
88. 88.1 The Company may by notice in writing require any person whom the Company knows or has reasonable cause to believe to be or, at any time during the 3 years immediately preceding the date on which the notice is issued, to have been interested in Shares:

88.1.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and

88.1.2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in accordance with this Article.

The provisions of sub-sections 212(2)-(6) inclusive of the Act shall apply *mutatis mutandis* to any notice served under this Article as if it were a notice served in accordance with sub-section 212(1) of the Act.

88.2 Where any registered holder of any Shares or any named person in respect of any Shares fails to comply within twenty one days with any notice (in this Article called a "preliminary notice") given by the Company under provisions of Article 88.1 requiring him to give particulars of any interest in any such Shares, the Company may give the registered holder of such Shares a notice (in this Article called a "disenfranchisement notice") stating or to the effect that such Shares shall from the service of such disenfranchisement notice confer on such registered holder no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the preliminary notice has been complied with and such shares shall confer no right to attend or vote accordingly nor will such registered holder be entitled to transfer all or any of his Shares, whether within the terms of Articles 58 to 65 or not, or to receive any dividend, including any dividend which became payable, but was not paid, before the service of the disenfranchisement notice, until the preliminary notice has been complied with.

89. For the purposes of Article 88 a "named person" means a person named as having an interest in the Shares concerned in any response to any notice served on the registered holder or on a person previously so named under Article 88 or any person who the Company has reason to believe may have had an interest in Shares within the previous three years. A disenfranchisement notice may be cancelled by the Board at any time and shall automatically cease to have effect in respect of any share transferred upon registration of the relevant transfer.

90. If:

90.1 any objection shall be raised to the qualification of any voter; or

90.2 any votes have been counted which ought not have been counted or which might have been rejected; or

90.3 any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

91. Any corporation holding Shares conferring the right to vote may by resolution of its directors or other governing body authorise any of its officials or any other person to act as its representative at any meeting of the Company, or at any meeting of holders of any class of Shares of the Company, and the person so authorised shall after providing evidence satisfactory to the chairman of the meeting be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company. References in these Articles to a Member present in person shall in the case of a corporation include that Member present by its representative authorised aforesaid.

#### PROXIES

92. The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
93. A proxy need not be a Member.
94. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of adjournment or, in either case, in any document sent therewith) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than forty eight hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.
95. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it related.
96. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.
97. A resolution in writing signed by all the Members entitled to notice of and entitled to vote at a meeting of the Members (or class of Members, as the case may be) shall be as valid and effectual as if it had been passed at a meeting of

the Members (or class of Members as the case may be) concerned, duly called and constituted. Such resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the Members concerned.

98. At the same time as a resolution is circulated to the Members (or class of Members, as the case may be) for signature or approval as contemplated by Article 97, a copy of the resolution shall be circulated in the same manner to the directors and to the other Members (whether or not they are concerned with the resolution).

#### NUMBER OF DIRECTORS

99. Unless and until otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than 2 nor more than 8 and in addition up to 3 Institutional Directors.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

100. A Director is not required to hold any Shares prior to or as a condition of taking the office of director.
101. The Company may by ordinary resolution of which special notice has been given in accordance with the Act, remove any director before the expiration of his period of office but may not appoint another person in his place.
102. If there is no director holding the office of Chairman or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for a meeting of the directors or if a deputy chairman appointed in accordance with Article 146 has not been elected, the Institutional Director present may appoint one of those directors present to be chairman of the meeting. If no Institutional Director is present such appointment may be made by the directors present.
103. The chairman of any meeting of the Board (or any committee thereof) shall not have a second or casting vote.

#### DISQUALIFICATION OF DIRECTORS

104. The office of a Director shall be vacated if:
- 104.1 he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;
  - 104.2 he is, or may be, suffering from mental disorder and either;
    - 104.2.1 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 1984; or
    - 104.2.2 an order is made by a court having jurisdiction (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

- 104.3 without leave, he is absent from meetings of the Board (although not where an alternate director appointed by him attends) for six consecutive months, and the Board resolves that his office be vacated;
- 104.4 he becomes bankrupt or a receiving order is made against him or he makes any arrangement or compromise with his creditors generally
- 104.5 he is prohibited by law or is disqualified under any statute from being a Director;
- 104.6 he ceases to be a Director by virtue of the Act or is removed from office pursuant to these Articles; or
- 104.7 an order is made by a court having jurisdiction in terms of the Company Directors Disqualification Act 1986.

#### ROTATION AND RE-ELECTION OF DIRECTORS

- 105. Directors shall not retire by rotation.

#### EXECUTIVE DIRECTORS

- 106. The Board may from time to time appoint one or more of its body to be an *Executive Director for such period (subject to the Act) and upon such terms as the Board may determine.*
- 107. Any appointment as is referred to in Article 106 shall be subject to determination *ipso facto* if the director so appointed shall cease from any cause to be a Director. Subject to the terms of any contract between the director so appointed and the Company the Board may revoke or terminate any such appointment. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the Company or the Company may have against such director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.
- 108. A Director holding the office of chairman or deputy chairman or any such *Executive Director as aforesaid shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.*
- 109. The Board may entrust to and confer upon a Director holding any such executive office as aforesaid any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### ALTERNATE DIRECTORS

- 110. Any director may appoint any person approved by the Board to be his alternate director and may at his discretion remove such alternate director. Any appointment or removal of an alternate director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board. An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be

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

111. Every person acting as an alternate director shall (except as regards power to appoint an alternate director and remuneration) be subject in all respects to the provisions of these Articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.
112. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
113. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a Director.

#### DIRECTORS' FEES AND EXPENSES

114. Each of the directors (other than any Institutional Directors or any Executive Directors) may be paid a fee at such rate as may from time to time be determined by the Board provided that the aggregate of all such fees so paid to directors (excluding amounts payable under any other Article) will not exceed £200,000 per annum.
115. Each director may be paid all travelling, hotel and incidental expenses properly incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of holders of any class of Shares or of debentures or of loan stock of the Company or otherwise in connection with the discharge of his duties as a Director. Any director who, by request of the Board, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

#### DIRECTORS' INTERESTS

116. A director may:
  - 116.1 hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms as the Board may determine, and any extra remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any director in respect of any such other

- office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;
- 116.2 act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- 116.3 be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, or in any other company as may be agreed between the Company and him and shall not be liable to account to the Company or the Members for any remunerations, profit or other benefit received by him as a Director or officer of or from his interest in such other company.
117. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
118. A director shall not vote or be counted in the quorum or any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
119. Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution shall be put in relation to each director and in such case each of the directors concerned shall be entitled to vote except in the case of an office or place of profit with any such other company as aforesaid where the other company is a company in which the director owns 5 per cent or more of the issued share capital.
120. Subject to the Act, and save as provided in these Articles, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as the vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits arising out of any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.
121. A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For



the purposes of this Article, a general notice to the Board by a Director to the effect that:

- 121.1 he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- 121.2 he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

- 122. Save as otherwise provided by these Articles, a Director shall not vote (but shall be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters namely:

- 122.1 any contract or arrangement for giving to such director any guarantee, security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
- 122.2 any contract or arrangement for the giving by the Company of any guarantee or security to a third party in respect of a debt or obligation of the Company which the director has himself guaranteed or secured in whole or in part or in respect of a debt or obligation of any subsidiary, holding company or subsidiary of any holding company of the Company of which the director is also a Director;
- 122.3 any contract or arrangement by a Director to subscribe for Shares, or any debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any Shares, or any debentures or other securities of the Company;
- 122.4 any contract or arrangement in which he is interested by virtue of his interest in Shares or any debentures or other securities of the Company or by reason of any other interest in or through the Company;
- 122.5 any contract or arrangement concerning any other company (not being a company in which the director owns 5 per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- 122.6 any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;

- 122.7 any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the director benefits in a similar manner as the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom such arrangement relates;
- 122.8 any proposal concerning the adoption, modification or operation of an employees' share scheme, relating to Shares or any shares in the capital of any subsidiary, under which he may benefit and which relates both to directors and employees and does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom the scheme relates.
- 122.9 any proposal or arrangement relating to the purchase by the Company or any subsidiary of directors and officers insurance or any similar cover which the Company may consider appropriate from time to time,
123. For the purpose of Articles 116 to 122 inclusive:
- 123.1 A company shall be deemed to be a company in which a Director owns 5 per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in 5 per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this Article there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, and shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any share comprised in an authorised unit trust scheme in which the director is interested only as a unit holder.
- 123.2 Where a company in which a Director holds 5 per cent or more is materially interested in a transaction, then that director shall also be deemed materially interested in such transaction.
- 123.3 If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned as known to such director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.
124. The Company may by ordinary resolution suspend or relax the provisions of Article 122 to any extent or ratify any transaction not duly authorised by reason of a contravention of Articles 116 to 122 inclusive.

## GENERAL POWERS OF THE BOARD

125. The business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act and of these Articles and to such regulations, being not inconsistent with such provisions as may be prescribed by the Company in general meeting provided that no such regulations shall invalidate any prior act of the Board which would have been valid if such regulations had not been made.
126. The general powers given by Article 125 shall not be limited or restricted by any special authority or power given to the Board by any other Article.
127. The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities.
128. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
129. The Board may entrust to and confer upon any director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
130. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

## ADDITIONAL DIRECTORS

131. The Directors may, at any time and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number.

## ASSOCIATE DIRECTORS

132. The Board may from time to time by resolution appoint any person (not being a Director) to be an associate director of the Company on such terms as it shall in

its absolute discretion think fit, and may, at the like discretion, terminate any such appointment. Without prejudice to the generality of the foregoing any such resolution may designate an associate director as a divisional or regional director and the provisions of these Articles relating to associate directors shall apply to any appointment as an associate director notwithstanding the title by which the appointee may be designated in the resolution of the Board appointing him. Any person so appointed shall not be nor deemed to be a Director of the Company within the meaning of that word as used in the Act, or for the purposes of any other statute or statutory instrument. The expressions "directors" and "the directors" in these Articles shall not include "associate director" or "associate directors".

133. Without prejudice to the generality of the foregoing:
  - 133.1 An associate director shall not have any powers or be subject to any of the duties of a Director save insofar as specific powers or duties may have been vested in, delegated to or imposed upon him by the Board.
  - 133.2 An associate director shall not have access to the books of the Company nor be entitled to receive notice of or attend or vote at meetings of the Board or of any committee of the Board. The Board may invite an associate director to attend a meeting or meetings of the Board or of any committee of the Board and may at any time withdraw such invitation. An associate director attending any such meeting by invitation of the Board shall not be counted in reckoning whether a quorum is present.
  - 133.3 The remuneration of the associate directors shall be such as shall from time to time be determined by the Board.
134. The appointment of a person to be an associate director may be in place of or in addition to his employment by the Company in any other capacity but unless otherwise expressly agreed between him and the Company the appointment as associate director shall not affect the terms and conditions of his employment by the Company in any other capacity whether as regards duties, remuneration, pension or otherwise.
135. An appointment as associate director shall forthwith terminate if the associate director:
  - 135.1 resigns by writing under his hand left at the Office;
  - 135.2 be found or becomes of unsound mind or becomes bankrupt or compounds with his creditors;
  - 135.3 becomes for the time being prohibited from being concerned or taking part in the management of the Company by reason of any order made under the Act or under the Company Directors Disqualification Act 1986;
  - 135.4 be removed by a resolution of the Board;
  - 135.5 being an employee of the Company, ceases to be such an employee.

## PENSIONS

136. On behalf of the Company the Board may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any director or former director or the relations, connections or dependants of any director or former director provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former director without the approval of an ordinary resolution of the Company. A Director or former director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.
137. The Board may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or any part of the undertaking of the Company or that subsidiary.

## BORROWING POWERS

138. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
139. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be.

## PROCEEDINGS OF THE BOARD

140. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting provided notice of the meeting which is reasonable in the circumstances is given to all directors.
141. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given

by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

142. 142.1 The quorum necessary for the transaction of the business of the Board shall be not less than two, of whom one must be an Institutional Director (unless there are no Institutional Directors at the relevant time in which case the quorum shall be any two directors). Any director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other director objects and if otherwise a quorum of directors would not be present.
- 142.2 If a quorum is not present at the time for which the meeting was called or ceases to be present thereafter, the meeting ("the first meeting") shall be adjourned to the following day at the same time and place. The Company shall give notice to each Director who did not attend the first meeting requiring him either to attend the adjourned meeting of the Directors or to state in writing his views on the matters to be discussed at that meeting. If any Director having received such notice fails to attend such adjourned meeting those Directors who are present at such adjourned meeting shall constitute a quorum.
143. The continuing directors or a sole continuing director may act notwithstanding any vacancy in the Board but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing directors or director, notwithstanding that the number of directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose. If there be no director or directors able or willing to act, then any two Members may summon a general meeting for the purpose of appointing directors.
144. The Board may elect one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such office.
145. Subject as provided below, a meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
146. Subject to these Articles, the Board may delegate any of its powers authorities and discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board and shall keep the Board fully informed in relation to the proceedings of any committee meetings and of any decision taken by any committee in the exercise of powers delegated to the committee.
147. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board

under the last preceding Article. The quorum for any committee meeting shall be two members.

148. 148.1 A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the Board (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the directors or members of the committee concerned.
- 148.2 A meeting of the Board or of a committee of the directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Subject to the Act, all business transacted in such manner by the board or a committee of the board shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the board or a committee notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.
149. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

#### MINUTES

150. The Board shall cause minutes to be made:
- 150.1 of all appointments of officers made by the Board;
- 150.2 of the names of the directors present at each meeting of the Board or committee of the Board; and
- 150.3 of all resolutions and proceedings at all meetings of the Company, of the Board and of any committee of the Board.

#### SECRETARY

151. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it determines, and any Secretary so appointed may be removed by the Board.

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

#### SEAL

153. The Board shall provide for the custody of any seal adopted by the Company as its common seal. Any such seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by one or more directors and the Secretary or by two or more directors or by some other person appointed by the Board for such purpose, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any two or more directors or by some other person appointed by the Board for such purpose, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any person.
154. The Company may exercise all the powers conferred by the Act with regard to having official seals, and such powers shall be vested in the Board.

#### AUTHENTICATION OF DOCUMENTS

155. Any director or the Secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract are a true and accurate record of proceedings at a duly constituted meeting.

#### RESERVES

156. Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

#### CAPITALISATION

157. The Company, upon the recommendation of the Board and subject to Articles 4 and 5 may at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time



being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

158. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under Article 159 and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportions but not exactly so, or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

#### RECORD DATES

159. Subject to Article 4 and Article 5.1 the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### ACCOUNTING RECORDS

160. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Act.
161. The accounting records shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.
162. No draft of the Company's annual accounts shall be submitted to the Board for approval unless they shall have previously been discussed with and reviewed by an Institutional Director.
163. A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Act.

## AUDIT

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

## NOTICES

165. Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to joint holders.
166. Any Member described in the Register by an address not within Europe who shall, from time to time, give to the Company an address within Europe at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within Europe shall be entitled to receive any notice from the Company.
167. Any such notice or other document, if sent by post, shall be deemed to have been served or delivered forty-eight hours after it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
168. Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

## DESTRUCTION OF DOCUMENTS

169. The Company may destroy:
- 169.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- 169.2 any dividend mandate, or any variation or cancellation thereof, or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;

- 169.3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- 169.4 any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

- 169.5 the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- 169.6 nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso 169.5 above are not fulfilled; and
- 169.7 references in this Article to the destruction of any document include references to its disposal in any manner.

#### WINDING UP

- 170. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such 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 such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability.

#### INDEMNITY

- 171. Save and except so far as the provisions of this Article shall be voided by any provisions of the Act the Directors, their Alternates, Executive Directors, auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and held harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses (including any such liability as is mentioned in the Act) which they or any of them or their or any of their executors or administrators shall or may incur or sustain by reason of any act done, concurred in, or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default respectively,

and none of them shall be answerable for the acts, receipts, neglects or defaults of any of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except the same shall happen by or through their own wilful neglect or default respectively. The Company may purchase and maintain insurance cover as necessary for any of the officers of the Company against any such liability.

#### FAIR PRICE

172. "Fair Price" means the price per share agreed between the selling shareholder and the board (acting with Institutional Director Consent) or, in the absence of such agreement the price certified in writing by the Auditors (or in the event of their being unwilling or unable so to certify or, at the written request of the Company or the Member whose Shares are to be valued, an independent firm of Chartered Accountants nominated by the President of the Institute of Chartered Accountants of England and Wales (or his equivalent from time to time) as being in their opinion the fair value of the Shares as between a willing seller and a willing buyer provided that the Auditors, or as the case may require, the independent firm of Chartered Accountants, in determining the fair value of any of such Shares shall:
- 172.1 determine the sum which a willing purchaser would offer to a willing seller for the whole of the issued Shares of the class proposed to be transferred;
  - 172.2 divide the resultant figure by the number of issued Shares of the class proposed to be transferred; and
  - 172.3 make such adjustment as they consider necessary to allow for any rights attaching to the Shares of the class of Shares to be transferred which may be outstanding and in particular any rights as to voting or rights whereby any person, firm or body corporate may call for the issue of Shares or may exercise any right of conversion;

but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of the relevant transfer, or in relation to any restrictions on the transferability of the Shares arising only out of the provisions of these Articles and provided further that the Auditors or as the case may be, the independent firm of Chartered Accountants, shall take into account in determining the fair value any bona fide offer from any third party to purchase any holdings the subject of a Transfer Notice. In certifying a fair value the Auditors, or as the case may require the independent firm of Chartered Accountants, shall act as experts and not as arbiters.

#### COMPULSORY PURCHASE

173. 173.1 Buyer's Compulsory Purchase Notice

*If as the result of a General Offer made pursuant to Article 65 a person or persons (the "Buyer") acquires an interest in shares representing more than 66% of Voting Rights ("a Compulsory Purchase Interest") the Buyer may by written notice to the Company served within 60 days of such*

acquisition require the Company as agent for the Buyer to serve notices (each a "Compulsory Purchase Notice") on the holders of Shares who have not accepted such offer (the "Minority Shareholders") requiring them to sell such Shares at the consideration applicable to such General Offer. The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchase Notices the Minority Shareholders shall not be entitled to transfer their Shares to anyone except the Buyer or the person identified by the Buyer.

### 173.2 Completion Of Buyer's Compulsory Purchase

The Buyer shall complete the purchase of all Shares in respect of which a Compulsory Purchase Notice has been given at the same time and no later than 21 days from the date of the serving of such Compulsory Purchase Notices. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred to the Buyer until in each case the Buyer has fulfilled all his obligations pursuant to this Article.

### 173.3 Failure To Comply With Buyer's Compulsory Purchase Notice

If in any case a Minority Shareholder, on the expiration of 28 days from the service of the Compulsory Purchase Notice, shall have not transferred his Shares to the person identified by the Buyer against payment of the price therefor, the Directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Buyer or the person identified by the Buyer and shall receive the consideration in respect of such Shares and shall thereupon (subject to the transfer being duly stamped) cause the name of the Buyer (or the person identified by the Buyer) to be entered into the register of members as the holder of the relevant Shares. The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest thereon. The receipt of the Company for the consideration shall be a good receipt for the price for the relevant Shares but the Buyer shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder which shall be made against delivery by the Minority Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same. After the name of the Buyer or the person identified by the Buyer has been entered in the Register in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

### 174. 174.1 Vendor's Compulsory Purchase Notice

If as the result of a General Offer made pursuant to Article 65 a person or persons (the "Buyer") acquires a Compulsory Purchase Interest any Member who did not accept the General Offer may by written notice to the Company served within 60 days of such acquisition require the Company as agent for such Member to serve a notice (a "Compulsory Purchase Notice") on the Buyer requiring it to buy such Shares at the consideration applicable to such General Offer. The Company shall serve the Compulsory Purchase Notice forthwith.

**174.2 Completion Of Vendor's Compulsory Purchase**

The Buyer shall complete the purchase of all Shares in respect of which a Compulsory Purchase Notice has been given and no later than 21 days from the date of the serving of such Compulsory Purchase Notice on it. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the *proposing transferor to give a Transfer Notice*. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred to the Buyer until in each case the Buyer has fulfilled all his obligations pursuant to this Article. If and for so long as the Buyer fails to comply with the provisions of this Article 174.2, the Shares held by the Buyer shall confer on the Buyer no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the obligations of the Buyer hereunder have been complied with and such shares shall confer no right to the Buyer has complied with such obligations under Article 174.2.