

Company Number: 4007719

THE COMPANIES ACTS 1985-1989

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
NORTHERN RAIL HOLDINGS LIMITED**

(As adopted by Written Resolution passed on 2004)



PRELIMINARY

- 1 In these Articles, unless the context otherwise requires, the following expressions have the following meanings:

“**A’ Director**” means a director holding office pursuant to Article 77;

“**A’ Shareholder**” means the holder for the time being of all the ‘A’ Shares;

“**A’ Shares**” means ‘A’ Ordinary Shares of £1 each in the capital of the Company;

“**B’ Director**” means a director holding office pursuant to Article 78;

“**B’ Shareholder**” means the holder for the time being of all of the ‘B’ Shares;

“**B’ Shares**” means ‘B’ Ordinary Shares of £1 each in the capital of the Company;

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

“**Articles**” means these Articles of Association as originally adopted or altered or varied from time to time (and “Article” means one of these Articles);

“**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;

“**Director**” means a director for the time being of the Company;

“**Holder**” in relation to shares means the member whose name is entered in the register of members as the holder of the shares;

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

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

“**Shares**” means ‘A’ Shares or ‘B’ Shares or, as the context requires, ‘A’ Shares and ‘B’ Shares;

“**Statutes**” means the Act and any statutory modification or re-enactment thereof for the time being in force and every other act for the time being in force concerning companies and affecting the Company; and

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

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

SHARE CAPITAL

- 3 The share capital of the Company at the date of the adoption of these Articles is £100 divided into 50 'A' Ordinary Shares of £1 each and 50 'B' Ordinary Shares of £1 each. The 'A' Shares and the 'B' Shares shall be separate classes of Shares but save as hereinafter otherwise provided shall carry the same rights and privileges and shall rank pari passu in all respects.
- 4 Subject to the provisions of Articles 5 and 6 and to any directions which may be given by the Company in general meeting, the Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) and without prejudice to the generality of the foregoing any shares unissued at the date of adoption of these Articles and any shares hereafter created shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.
- 5 The maximum nominal amount of share capital which or in respect of which the Directors may allot, grant options or subscription or conversion rights, create, deal or otherwise dispose of in accordance with Article 4 shall be £100 or such other amount as shall be authorised by the Company in general meeting.
- 6 The authority conferred on the Directors by Articles 4 and 5 shall expire on the day preceding the fifth anniversary of the date of the adoption of these Articles.
- 7 The provisions of section 89(1) of the Act shall not apply to the Company.
- 8 Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
- 9 Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the Holder on such terms and in such manner as may be provided for by the Company
- 10 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of full or partly paid shares or partly in one way and partly in the other.
- 11 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the Holder.

SHARE CERTIFICATES

- 12 Every member, upon becoming the Holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon



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

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

LIEN

- 14 The Company shall have a first and paramount lien on:
- 14.1 all shares of the Company whether fully paid or not; and
- 14.2 all shares registered in the name of any person indebted or under liability to the Company, whether he be the sole registered Holder thereof or one of several joint Holders;

for all indebtedness or other liability to the Company of any member. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

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

CALLS ON SHARES AND FORFEITURE

- 18 Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or

premium) and each member shall (subject to receiving at least fourteen Clear Days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

- 19 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 20 The joint Holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 21 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part.
- 22 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 23 Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the Holders in the amounts and times of payment of calls on their shares.
- 24 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen Clear Days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- 25 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 26 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the Holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the share to that person.

AL

- 27 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 28 A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

- 29 No share (nor any interest therein) may be transferred or disposed of and the Directors shall not register the transfer of any Share unless such transfer or disposal is made in accordance with the prior written agreement, or with the prior written consent, of the 'A' Shareholder and the 'B' Shareholder.
- 30 The instrument of transfer of a share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 31 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 32 The Company shall be entitled to retain any instrument of transfer that is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

ALTERATION OF SHARE CAPITAL

- 33 The Company may by ordinary resolution:
- 33.1 increase its share capital by new shares of such amount as the resolution prescribes;
- 33.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 33.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and

- 33.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 34 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 35 Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

- 36 Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

- 37 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 38 The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than seven weeks after receipt of the requisition. If there are not sufficient Directors to call a general meeting, any Director or member of the Company may call a general meeting. If the Company has only a single member, such member shall be entitled at any time to call a general meeting.

NOTICE OF GENERAL MEETINGS

- 39 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution or a resolution appointing a person as a Director shall be called by at least 21 Clear Days' notice. All other extraordinary general meetings shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed:
- 39.1 in the case of an annual general meeting or a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote thereat; and
- 39.2 in the case of any other meeting, by a majority in numbers of the members having a right to attend and vote being a majority together holding not less than 95 per cent in nominal value of the shares giving that right or such lesser percentage not been less

than 90 per cent, as may be specified in or pursuant to any elective resolution passed by the Company.

- 40 The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such.
- 41 Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and the auditors for the time being of the Company.
- 42 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes.
- 43 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 44 No business shall be transacted at any meeting unless a quorum is present. One 'A' Shareholder entitled to vote upon the business to be transacted, and one 'B' Shareholder entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum, provided that if the Company has only a single member, the quorum shall be one such person.
- 45 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
- 46 The chairman, if any, of the board of Directors or in his absence some other Director nominated by the Directors shall preside as chairman of general meetings, but if neither the chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act he shall be chairman.
- 47 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the Holders of any class of shares in the Company.
- 48 The chairman may, with the consent of a meeting (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.

When a meeting is adjourned for fourteen days or more, at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

- 49 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote.
- 50 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 51 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 52 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 53 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have, and the relevant resolution shall fail.
- 54 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 55 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
- 56 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. A resolution in writing shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint Holders the signature of any one of them on behalf of all such joint Holders shall be sufficient for the purposes



of passing a resolution in writing. The Directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of proceedings of a general meeting of the Company and to be signed by a Director or the Secretary of the Company. If the Company has only a single member, if the single member takes any decision which may be taken by the Company in general meeting and which has effect as if agreed by the Company in general meeting, the single member shall (unless the decision is taken by way of a written resolution) provide the Company with a written record of that decision. However, failure to do so shall not affect the validity of such decision.

VOTES OF MEMBERS

- 57 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the Holder.
- 58 In the case of joint Holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders; and seniority shall be determined by the order in which the names of the Holders stand in the register of members.
- 59 No 'A' Shareholder shall confer any right to vote either on a show of hands or on a poll upon a resolution for the appointment or removal from office of a 'B' Director and no 'B' Shareholder shall confer any right to vote either on a show of hands or on a poll upon a Resolution for the appointment or removal from office of an 'A' Director.
- 60 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 61 No member shall vote at any general meeting or at any separate meeting of the Holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- 62 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

63 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

64 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve) -

“ Limited

I/We, , of , being a member/members of the above-named company, hereby appoint of , or failing him, of as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company to be held on 20● and at any adjournment thereof.

Signed on 20●.”

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

“ Limited

I/We, , of , being a member/members of the above-named company, hereby appoint of , or failing him, of , as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company, to be held on 20● and at any adjournment thereof.

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

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

*Strike out whichever is not desired.

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

Signed this day of 20●

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

66.1 be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for

ALS

holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

66.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

66.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director;

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

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

NUMBER OF DIRECTORS

68 Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum.

ALTERNATE DIRECTORS

69 Any Director (other than an alternate Director) may appoint any other person willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.

70 An alternate Director shall for the duration of his appointment be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and shall be deemed to be a Director for the purpose of signing instruments, for signing any resolution in writing of the Directors, and (subject to any limitation contained in his appointment) for all other purposes for the duration of his appointment and shall thereby be responsible for his own acts and defaults to the exclusion of his appointor.

71 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.



- 72 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 73 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors and shall be delivered at the Office of the Company.

POWERS OF DIRECTORS

- 74 Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. The Directors may exercise all the powers of the Company to borrow money (contained in clause 3(m) of the Memorandum of Association of the Company). No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 75 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

- 76 The Directors may delegate any of their powers to any committee consisting of one or more Directors. Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee any person or persons although not being a Director of the Company. They may also delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

APPOINTMENT, DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 77 The 'A' Shareholder may from time to time appoint any person to be a Director, but so that not more than three persons shall at any one time hold office by virtue of an appointment by the 'A' Shareholder under this Article, and at any time remove such person from office.
- 78 The 'B' Shareholder may from time to time appoint any person to be a Director, but so that not more than three persons shall at any one time hold office by virtue of an appointment by the 'B' Shareholder under this Article, and at any time remove such person from office.



- 79 Any such appointment or removal of an 'A' Director or a 'B' Director shall be made in writing under the hands of the holder or holders for the time being of the shares in whom the power of appointment or removal is vested, or their duly authorised agents and shall take effect on and from the date on which notice in writing thereof is lodged at the registered office for the time being of the Company or delivered to the Company's secretary or to a meeting of the Directors.
- 80 The Directors shall not be liable to retire by rotation.
- 81 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.
- 82 The office of a Director shall be vacated if
- 82.1 he is removed from office under Article 78 or 79; or
- 82.2 he resigns his office by notice to the Company.
- 83 Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, no Director shall vacate his office as a Director on or by reason of his attaining or having attained the age of 70, and any person proposed to be appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of 70, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of 70, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed as such.

REMUNERATION OF DIRECTORS

- 84 The Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

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

DIRECTORS' APPOINTMENTS AND INTERESTS

- 86 Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of managing Director or to any other executive office under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a

Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.

- 87 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
- 87.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- 87.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- 87.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 88 For the purposes of Article 88:
- 88.1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- 88.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

PROCEEDINGS OF DIRECTORS

- 89 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors by written notice to all Directors whether or not they are in the United Kingdom at the time the meeting is called. Questions arising at a meeting or of any committee shall (unless otherwise agreed in writing between the 'A' Shareholder and the 'B' Shareholder and subject as otherwise provided herein) be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote, and the relevant resolution shall fail. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 90 The quorum necessary for the transaction of business at any meeting of the Directors or of any committee shall comprise two 'A' Directors and two 'B' Directors. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum. If within half an hour from the time appointed for any such meeting a quorum is not present the meeting shall stand adjourned until the earlier of a time and date agreed by such Directors as would constitute a quorum or to



the same day next week (or if that day be a holiday to the next working day thereafter) and at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting that meeting shall be dissolved.

- 91 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 92 The Directors may appoint one of their number to be the chairman of the board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- 93 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 94 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.
- 95 For a signed resolution in writing to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the Articles or by law from voting thereon.
- 96 Notwithstanding having an interest in accordance with Article 88, a Director may vote on any matter (save in respect of his own appointment to office or employment with the Company, or the variation of the terms thereof, or termination of his appointment or employment) in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him.
- 97 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 98 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.

