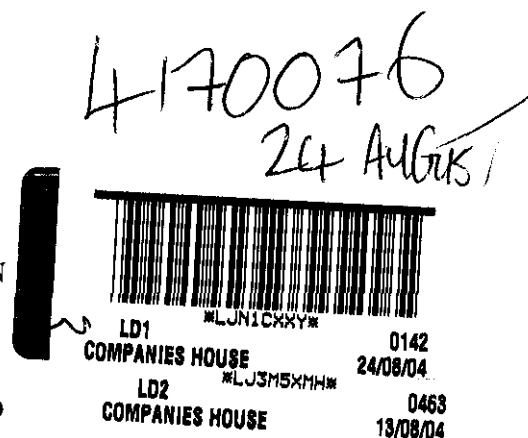


**THE COMPANIES ACT 1985**  
**Private Company Limited by Shares**  
**NEW ARTICLES OF ASSOCIATION**  
of  
**HILSTONE PROPERTIES LIMITED**



(As amended by Special Resolution of the Company passed on 6 August 2004)

**PRELIMINARY**

1. (A) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- (B) Regulations 3, 23, 41, 54, 64 to 69 (inclusive), 88, 89, 96 to 98 (inclusive) and 118 of Table A shall not apply to the Company.

2. (A) In these Articles where the context so admits:-

"Act"	means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force
"A Ordinary Shares"	means the 30,000 A Ordinary Shares of £1 each in the capital of the Company
"A1 Ordinary Shares"	means the 12,500 A1 Ordinary Shares of £1 each in the Capital of the Company
"Arrears"	in relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such dividend together with all interest and other amounts payable thereon
"Articles"	means the Articles of Association of the Company
"B Ordinary Shares"	means the 2,500 B Ordinary Shares of £1 each in the capital of the Company
"B1 Ordinary Shares"	means the 55,000 B1 Ordinary Shares of £1 each in the capital of the Company
"clear days"	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the

	day for which it is given or on which it is to take effect
"C" Preference Dividend"	means the dividend payable under Article 3.2(a)(i)
"C" Preference Shares"	means "C" cumulative redeemable preference shares of £1 each in the capital of the Company having the rights set out in Article 3.2
"C" Redemption Date"	means 30 November 2006
"Dividend Date"	the date when a Preference Dividend is due for payment in accordance with the terms of these Articles
"D" Preference Shares"	means "D" cumulative redeemable preference shares of £1 each in the capital of the Company having the rights set out in Article 3.3
"D" Redemption Date"	means 31 March 2006
"D" Preference Dividend"	means the dividend payable under Article 3.3(a)(i)
"E" Ordinary Shares"	means the 18,333,080 "E" Ordinary Shares of 10 pence each in the capital of the Company
"executed"	means any mode of execution
"holder"	means in relation to any share the member whose name is entered in the register of members as the holder of the share
"office"	means the registered office of the Company
"Ordinary Shares"	means the A Ordinary Shares, the B Ordinary Shares A1 Ordinary Shares, B1 Ordinary Shares and E Ordinary Shares in the capital of the Company
"Preference Dividend"	means a "C" Preference Dividend and/or a "D" Preference Dividend as appropriate
"Preference Shares"	means the "C" Preference Shares and the "D" Preference Shares
"Sale"	means the sale of any part of the Ordinary Share Capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person holding more than 50% of the Ordinary Shares and for the purposes of these Articles, the persons who are holders of the Ordinary Shares and Preference Shares at the date of adoption of these Articles shall not be deemed to be acting in concert with each other
"seal"	means the common seal of the Company
"secretary"	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company

including a joint assistant or deputy secretary

"United Kingdom"

means Great Britain and Northern Ireland

- (B) References to the singular shall include the plural and references to the masculine include a reference to the feminine and neuter and vice versa.
- (C) 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.
- (D) Where an ordinary resolution of the Company is expressed to be required for any purpose a special or extraordinary resolution shall also be effective and where an extraordinary resolution is expressed to be required for any purpose a special resolution shall also be effective.
- (E) Headings are used for convenience only and shall not affect the construction of these Articles.

## **SHARE CAPITAL**

### **3.1 Authorised Share Capital**

The share capital of the Company was re-organised on 3 August 2004 to £10,000,000 divided into 30,000 "A" Ordinary Shares of £1 each, 12,500 "A1" Ordinary Shares of £1 each, 2,500 "B" Ordinary Shares of £1 each, 55,000 "B1" Ordinary Shares of £1 each and 3,235,111 "D" Cumulative Redeemable Preference Shares of £1 each and 4,831,581 "C" Cumulative Redeemable Preference Shares of £1 each and 18,333,080 "E" Ordinary Shares of 10 pence each.

### **3.2 "C" Preference Shares**

The "C" Preference Shares shall entitle the holders thereof to the following rights:-

- (a) as regards dividend:
  - (i) the Company shall, in priority to payment of any dividend to all other shareholders, pay to the holders of the "C" Preference Shares a fixed cumulative preferential dividend at the rate of 8% per annum (net of any tax payable by the Company thereon) accruing on a daily basis on the subscription price for such shares, and payable yearly in arrears on 31 December in each year provided that the first payment of such dividend shall be on 31 December 2001 in respect of the period from the date of adoption of these Articles to that date;
  - (ii) if any "C" Preference Dividend (including any amount payable pursuant to this sub-paragraph) is for whatever reason not paid in full on the Dividend Date, then the Company shall be liable to pay to the holders of the "C" Preference Shares (in proportion to the number of "C" Preference Shares held at such time by each of them) on the next date a "C" Preference Dividend is due, in addition to the "C" Preference Dividend then payable an amount (net of any tax payable

by the Company thereon) equal to the aggregate of the unpaid "C" Preference Dividend on the Dividend-Date and interest thereon at a rate equal to 3% per annum above the base rate of Bank of Scotland at that time such interest to be calculated daily from the Dividend Date;

(b) as regards capital:

on a return of assets on liquidation reduction of capital or otherwise the holders of "C" Preference Shares shall be entitled in respect of their "C" Preference Shares (in proportion to the number of such shares held by each of them) in priority to all other shareholders to be paid out of the surplus assets of the Company remaining after payment of its liabilities the subscription price for the "C" Preference Shares together with a sum equal to any Arrears calculated down to the date of the return of assets;

(c) as regards voting in general meetings:

(i) the holders of the "C" Preference Shares shall be entitled to receive notice of, and to attend at, general meetings of the Company but shall not in respect of their holdings of such shares be entitled to vote upon any resolution unless:

(A) there shall have been any Arrears on any "C" Preference Shares for more than two months on the date of the notice convening the meeting; or

(B) the Company on the "C" Redemption Date under sub-paragraph (d)(i) below of this Article 3.2 shall have failed or been unable to redeem all or any of the "C" Preference Shares falling to be redeemed on the "C" Redemption Date; or

(C) the resolution is one which directly or indirectly varies, modifies, alters or abrogates any of the rights, privileges, limitations or restrictions attaching to the Preference Shares or Ordinary Shares; or

(D) the resolution is for the winding up of the Company, the reduction of share capital, the approval of the giving of financial assistance or the purchase by it of any of its shares; or

(E) there shall have occurred a breach by the Company or any of the Directors of any of the provisions of these Articles provided that the holders of the "C" Preference Shares shall cease in respect of their holdings of such shares to be entitled to vote upon any resolution upon such breach being remedied to the satisfaction of a majority of the holders of the "C" Preference Shares;

(ii) when entitled to vote pursuant to sub-paragraph (i) above every holder of "C" Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote on a show of hands and on a poll every holder of "C" Preference Shares so present shall have one vote for each "C" Preference Share held by him;

(d) as regards redemption, the "C" Preference Shares shall subject to the Act be redeemed on and subject to the following terms and conditions:

- (i) subject to the right of the Company to redeem the "C" Preference Shares in accordance with sub-paragraph (iii) below the "C" Preference Shares shall be redeemed by the Company on the "C" Redemption Date or if earlier (at the option of each holder of "C" Preference Shares and in respect of all of the "C" Preference Shares held by such holder unredeemed and outstanding) on a Sale or Listing or on a breach by the Company or any of the Directors of any of the provisions of these Articles;
- (ii) if the Company shall fall or be unable to redeem all or any of the "C" Preference Shares falling to be redeemed on the "C" Redemption Date in accordance with sub-paragraph (i) above then such of the "C" Preference Shares as are not so redeemed may at the request in writing to the Company of a majority in number of the holders of the "C" Preference Shares in the Company be converted into ordinary shares of £1 each in the capital of the Company and shall in all respects rank *pari passu* with the Ordinary Shares such conversion to take effect from 7 clear days after receipt of such request;
- (iii) the Company may at any time by giving not less than 14 days notice in writing to the holders of "C" Preference Shares redeem the whole or any part of the "C" Preference Shares then outstanding pro rata to the number of shares held by each holder thereof; if part only of the "C" Preference Shares are redeemed by the Company pursuant to this sub-paragraph (iii), the numbers of "C" Preference Shares to be redeemed on the Redemption Dates under sub-paragraph (i) above shall be reduced accordingly;
- (iv) on the "C" Redemption Date or on the date of any other redemption pursuant to this clause 3.2(d) each registered holder of "C" Preference Shares to be redeemed shall deliver to the Company at its registered office the share certificates for such "C" Preference Shares and thereupon the Company shall pay to such holder (or in the case of joint holders to the holder whose name stands first in the register of members in respect of such shares) the amount due to him in respect of such redemption and shall issue a new share certificate in respect of any unredeemed "C" Preference Shares comprised in the certificate delivered by him;
- (v) as a condition of the redemption, there shall be paid on each "C" Preference Share redeemed the subscription price for such share together with a sum equal to any Arrears in respect of such "C" Preference Share calculated down to the "C" Redemption Date; and
- (vi) the receipt of the registered holder (or in the case of joint holders the holder whose name stands first in the register of members) for the time being of any "C" Preference Shares being redeemed for the monies payable on redemption of such shares shall constitute an absolute discharge to the Company of its obligations in respect thereof

### 3.2 "D" Preference Shares

The "D" Preference Shares shall entitle the holders thereof to the following rights:-

- (a) as regards dividend:
  - (i) the Company shall, after payment of the "C" Preference Dividend and in priority to payment of any dividend to all other shareholders, pay to the holders

of the "D" Preference Shares a cumulative preferential dividend at the rate of 2% above the base rate of Bank of Scotland from time to time (net of any tax payable by the Company thereon) accruing on a daily basis on the subscription price for such shares, and payable yearly in arrears on 31 December in each year provided that the first payment of such dividend shall be on 31 December 2001 in respect of the period from the date of adoption of these Articles to that date;

- (ii) if any "D" Preference Dividend (including any amount payable pursuant to this sub-paragraph) is for whatever reason not paid in full on the Dividend Date, then the Company shall be liable to pay to the holders of the "D" Preference Shares (in proportion to the number of "D" Preference Shares held at such time by each of them) on the next date the "D" Preference Dividend is due, in addition to the "D" Preference Dividend then payable an amount (net of any tax payable by the Company thereon) equal to the aggregate of the unpaid "D" Preference Dividend on the Dividend-Date and interest thereon at a rate equal to 3% per annum above the base rate of Bank of Scotland at that time such interest to be calculated daily from the Dividend Date;

(b) as regards capital:

on a return of assets on liquidation reduction of capital or otherwise the holders of "D" Preference Shares shall be entitled in respect of their "D" Preference Shares (in proportion to the number of such shares held by each of them) after payment of all sums due to the holders of the "C" Preference Shares in respect of the "C" Preference Shares and in priority to all other shareholders to be paid out of the surplus assets of the Company remaining after payment of its liabilities the subscription price for the "D" Preference Shares together with a sum equal to any Arrears calculated down to the date of the return of assets;

(c) as regards voting in general meetings:

- (i) the holders of the "D" Preference Shares shall be entitled to receive notice of, and to attend at, general meetings of the Company but shall not in respect of their holdings of such shares be entitled to vote upon any resolution unless:
  - (A) there shall have been any Arrears on any "D" Preference Shares for more than two months on the date of the notice convening the meeting; or
  - (B) the Company on the "D" Redemption Date under sub-paragraph (d)(i) below of this Article 3.3 shall have failed or been unable to redeem all or any of the "D" Preference Shares falling to be redeemed on the "D" Redemption Date; or
  - (C) the resolution is one which directly or indirectly varies, modifies, alters or abrogates any of the rights, privileges, limitations or restrictions attaching to the Preference Shares or Ordinary Shares; or
  - (D) the resolution is for the winding up of the Company, the reduction of share capital, the approval of the giving of financial assistance or the purchase by it of any of its shares; or

- (E) there shall have occurred a breach by the Company or any of the Directors of any of the provisions of these Articles provided that the holders of the "D" Preference Shares shall cease in respect of their holdings of such shares to be entitled to vote upon any resolution upon such breach being remedied to the satisfaction of a majority of the holders of the "D" Preference Shares;
- (ii) when entitled to vote pursuant to sub-paragraph (i) above every holder of "D" Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote on a show of hands and on a poll every holder of "D" Preference Shares so present shall have one vote for each "D" Preference Share held by him;
- (d) as regards redemption, the "D" Preference Shares shall subject to the Act be redeemed on and subject to the following terms and conditions:
- (i) subject to the right of the Company to redeem the "D" Preference Shares in accordance with sub-paragraph (iii) below the "D" Preference Shares shall be redeemed by the Company on the "D" Redemption Date or if earlier (at the option of each holder of "D" Preference Shares and in respect of all of the "D" Preference Shares held by such holder unredeemed and outstanding) on a Sale or Listing or on a breach by the Company or any of the Directors of any of the provisions of these Articles;
- (ii) if the Company shall fail or be unable to redeem any or any of the "D" Preference Shares falling to be redeemed on the "D" Redemption Date in accordance with sub-paragraph (i) above then such of the "D" Preference Shares as are not so redeemed may at the request in writing to the Company of a majority in number of the holders of the "D" Preference Shares be converted into ordinary shares of £1 each in the capital of the Company and shall in all respects rank *pari passu* with the Ordinary Shares such conversion to take effect from 7 clear days after receipt of such request;
- (iii) the Company may at any time by giving not less than 14 days notice in writing to the holders of "D" Preference Shares redeem the whole or any part of the "D" Preference Shares then outstanding pro rata to the number of shares held by each holder thereof; if part only of the "D" Preference Shares are redeemed by the Company pursuant to this sub-paragraph (iii), the numbers of "D" Preference Shares to be redeemed on the "D" Redemption Dates under sub-paragraph (i) above shall be reduced accordingly;
- (iv) on the "D" Redemption Date or on the date of any other redemption pursuant to this clause 3.3(d) each registered holder of "D" Preference Shares to be redeemed shall deliver to the Company at its registered office the share certificates for such "D" Preference Shares and thereupon the Company shall pay to such holder (or in the case of joint holders to the holder whose name stands first in the register of members in respect of such shares) the amount due to him in respect of such redemption and shall issue a new share certificate in respect of any unredeemed "D" Preference Shares comprised in the certificate delivered by him;
- (v) as a condition of the redemption, there shall be paid on each "D" Preference Share redeemed the subscription price for such share together with a sum

equal to any Arrears in respect of such "D" Preference Share calculated down to the "D" Redemption Date; and

- (vi) the receipt of the registered holder (or in the case of joint holders the holder whose name stands first in the register of members) for the time being of any "D" Preference Shares being redeemed for the monies payable on redemption of such shares shall constitute an absolute discharge to the Company of its obligations in respect thereof

- 3.4 Unless the Company is prohibited by law the Preference Dividend shall (notwithstanding Regulations 102 to 108 inclusive or any provision of these Articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.

### **Ordinary Shares**

- 3.5 The rights attached to the Ordinary Shares shall initially be as follows:-

- 3.5.1 The A Ordinary Shares, the B Ordinary Shares, the A1 Ordinary Shares, the B1 Ordinary Shares and the E Ordinary Shares rank *pari passu* in all respects save as set out in these Articles;

- 3.5.2 On any resolution put to the vote at any meeting of the Company or on the taking of any poll, each holder of an A Ordinary Share, a B Ordinary Share, an A1 Ordinary Share and a B1 Ordinary Share shall be entitled to cast eleven votes in respect of each such share held and each holder of an E Ordinary Share shall be entitled to cast one vote in respect of each such share held.

- 3.5.3 On any distribution of the assets of the Company by way of dividend or otherwise amongst the holders of Ordinary Shares therein, each holder of an A Ordinary Share, a B Ordinary Share, an A1 Ordinary Share and a B1 Ordinary Share shall in respect of each such share held be entitled to receive eleven times as much as each holder of an E Ordinary Share in respect of each such share held.

- 3.5.4 On a winding-up of the Company, after the satisfaction of the rights attached to the holders of the Preference Shares, the assets of the Company shall first be applied in repaying capital paid up on the Ordinary Shares *pari passu* and in proportion to the amount paid up on each Ordinary Share and any surplus assets shall be divided amongst the holders of Ordinary Shares in the proportions 11 for each A Ordinary Share held, 11 for each B Ordinary Share held, 11 for each A1 Ordinary Share held, 11 for each B1 Ordinary Share held and 1 for each E Ordinary Share held.

- 3.6 The Directors of the Company shall have the power during the period of one calendar month beginning with the date of adoption of these Articles to declare and pay, out of the assets of the Company available for distribution by way of dividend, a dividend of one pound in cash for each Ordinary Share in issue at the date of adoption of these Articles PROVIDED THAT they may offer the holder of each A1 Ordinary Share and each B1 Ordinary Share the right, instead of being paid a dividend in cash, to be issued with ten E Ordinary Shares in the Company (of nominal value ten pence each) credited as fully paid up. If the holder or holders of all the A1 Ordinary Share and all of the B1 Ordinary Shares in issue shall within seven days of the declaration of such dividend elect to receive a dividend satisfied by the issue of E Ordinary Shares, the Directors shall forthwith allot and issue the appropriate number of E Ordinary Shares to each holder of A1 Ordinary Shares and B1 Ordinary Shares.



The holder or holders of the A1 Ordinary Shares and B1 Ordinary Shares shall make their election by notice in writing addressed to the Company. Otherwise, the Directors shall pay such dividend in cash to all holders of Ordinary Shares.

- 3.7.1 If E Ordinary Shares in the Company shall have been issued in accordance with the provisions of Article 3.6, the following provisions of this Article 3.7 shall forthwith have effect in lieu of Article 3.5.2 to 3.5.4 (inclusive).
- 3.7.2 On any resolution put to the vote at any meeting of the Company or on the taking of any poll, each holder of an A Ordinary Share or of a B Ordinary Share shall be entitled to cast eleven votes in respect of each such share held and each holder of an A1 Ordinary Share, a B1 Ordinary Share and an E Ordinary Share shall be entitled to cast one vote in respect of each such share held.
- 3.7.3 On any distribution of the assets of the Company by way of dividend or otherwise amongst the holders of Ordinary Shares therein, each holder of an A Ordinary Share or of a B Ordinary Share shall be entitled in respect of each such share held to receive eleven times as much as each holder of an A1 Ordinary Share, a B1 Ordinary Share or an E Ordinary Share shall be entitled to receive in respect of each such share held.
- 3.7.4 On a winding-up of the Company, after the satisfaction of the rights attached to the Preference Shares, the assets of the Company shall first be applied in repaying capital paid up on the Ordinary Shares *pari passu* and in proportion to the amount paid up on each Ordinary Share and any surplus assets shall be divided amongst the holders of Ordinary Shares in the proportions 11 for each A Ordinary Share held, 11 for each B Ordinary Share held, 1 for each A1 Ordinary Share held, 1 for each B1 Ordinary Share held and 1 for each E Ordinary Share held.

#### **ALLOTMENT OF SHARES**

- 4 4.1 Shares which are comprised in the authorised share capital of the Company on the date of the adoption of these Articles shall be under the control of the Board of Directors who may (subject to Section 80 of the Act and to paragraph (C) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 4.2 All shares which are not comprised in the authorised share capital of the Company on the date of the adoption of these Articles and which the Board of Directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of existing shares of the same class of shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Board of Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of

shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this paragraph (B) shall have effect subject to Section 80 of the Act.

- 4.3 The Board of Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital of the Company on the date on the date of the adoption of these Articles at any time or times during the period of five years from such date and the Board of Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

5 Subject to, and in accordance with, the provisions of the Act the Company may:

- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the member;
- (b) purchase its own shares (including any redeemable shares).

#### **CLASS RIGHTS**

- 6.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, with the consent in writing of the holders of three-fourths of the issued shares of each class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of each class (but not otherwise). All the provisions of these Articles and of Table A as applicable to the Company relating to General Meetings shall, mutatis mutandis, apply to every such separate General Meeting, the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class or, at any adjourned meeting of sum holders, those members who are present in person or by proxy, whatever their holdings, and the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.
- 6.2 The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or pari passu therewith.

#### **PRE-EMPTION RIGHTS ON SHARE TRANSFERS**

- 7.1 A share shall not be transferred unless it first be offered to the other members at the "fair price" (as determined in Article 7.2). A member wishing to transfer a Share or Shares ("Retiring Member") shall give notice thereof in writing to the Company and in such notice ("Transfer Notice") he shall specify the proposed transferee (if any) the number of Shares to be transferred and the price which he is prepared to accept for such Shares.
- 7.2 On receipt of a Transfer Notice a meeting of the Directors shall be convened at which the Directors shall resolve if the price set by the retiring member is fair. If the Directors resolve that such price is fair then it shall be the "fair price". In the event that the Directors resolve such price is not fair they shall appoint the Auditors at the cost of the Company to certify the

fair price of the Shares set out in the Transfer Notice and their certification shall be the "fair price". In so certifying the Auditors shall act as experts and not as arbitrators and the Arbitration Acts 1950 to 1979 and any statutory modification or re-enactment thereof shall not apply.

- 7.3 The Transfer Notice shall constitute the Company the Retiring Member's agent for the sale in accordance with the provisions of this Article of the Share or Shares comprised therein at the fair price. A Transfer Notice may not be withdrawn except with the consent of the Directors which shall not be withheld if the Retiring Member pays all the costs reasonably incurred by the Company in connection with the Transfer Notice and the establishment of the fair price. After the fair price of the Share or Shares comprised in a Transfer Notice has been determined, the Directors shall proceed to seek a purchaser or purchasers therefor amongst the other members of the same class (including any of their own body who are members). In the case of competition amongst the other members therefor, the same shall be apportioned amongst those wishing to purchase the same as nearly as may be in proportion to their respective holdings of Shares, but so that no member shall be required to purchase more Shares than he has expressed his willingness to purchase. Any question of difficulty shall be resolved by the Directors in such manner as they think most beneficial to the Company.
- 7.4 If within 28 days after the fixing of the fair price purchasing members from the holders of the same class of Shares have not been found for the Share or all the Shares comprised in the Transfer Notice, then the Directors shall seek a purchaser or purchasers for their shares or balance of Shares from the other members of the Company irrespective of the class of Shares held by such members. In the case of competition amongst the other members therefor, the same shall be apportioned amongst those wishing to purchase the same as nearly as may be in proportion to their respective holdings of Shares, but so that no member shall be required to purchase more Shares than he has expressed his willingness to purchase. Any question of difficulty shall be resolved by the Directors in such manner as they think most beneficial to the Company.
- 7.5 Subject to the Retiring Member's rights under Article 7.3 upon finding a purchasing member or members for all the Shares in the Transfer Notice the Company shall give notice thereof to the Retiring Member and the sale or sales shall be completed within 14 days thereafter. If the Retiring Member fails so to complete any such sale, the Directors shall nominate some person to transfer the Share or Shares comprised in such sale to the purchasing member and shall receive the purchase money and register the purchasing member as the holder of such Share or Shares and issue to him a certificate therefor. The Retiring Member shall deliver to the Company his certificate or certificates comprising or including such Share or Shares and shall thereupon be paid the purchase money and any necessary balance certificate shall be issued to him.
- 7.6 If within 56 days of the Directors first seeking a purchaser under Article 7.3 no purchasing member has been found for the Share or Shares comprised in the Transfer Notice then the Directors shall give notice thereof to the Retiring Member and in such case, and also if a purchasing member has failed duly to complete his purchase, the Retiring Member may at any time within 6 months after such notice was given to him, transfer the Share or Shares, to any person at any price not being less than the fair price. The Retiring Member shall be under no obligation to transfer any of the Shares in the transfer notice to other members of the Company unless such members agree to purchase all the Shares in the transfer notice.
- 7.7 7.7.1 Any direction, whether by way of renunciation, nomination or otherwise, by a member entitled to an allotment of Shares, to the effect that such Shares or any of them be allotted or issued to some person other than himself; or

- 7.7.2 any transfer of any interest in a Share or Shares, shall for the purpose of this Article be deemed to constitute a transfer of the Share or Shares comprised in such direction or transfer and, shall be deemed to constitute a transfer notice comprising such Share or Shares and the foregoing provisions of this Article shall apply accordingly.

## **CALLS**

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

## **TRANSFER OF SHARES**

- 9 All transfers of shares shall be effected by instrument in writing in any usual or common form or in any other form acceptable to the Directors.
- 10 The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.
- 11 The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of members in respect thereof.
- 12 For the purpose of these Articles the renunciation or negotiation of any temporary document of title to any share shall constitute a transfer.
- 12A Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer:
- (a) is to any bank or institution to which such shares have been charged by way of security, or to any nominee of such a bank or institution (a "**Secured Institution**"); or
  - (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
  - (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security; and
  - (d) furthermore notwithstanding anything contained in these Articles no transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to offer the shares which are to be the subject of any transfer aforesaid to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.
  - (e) The Company shall have no lien on any shares which have been charged by way of security to a Secured Institute (as defined in Article 12A(a) above) and Regulations 8 of Table A relating to liens over shares shall not apply in respect of any such shares."

## **GENERAL MEETINGS AND RESOLUTIONS**

- 13 Every notice convening a General Meeting shall comply with the provisions of Section 372 (3) of the Act as to giving information to members in regard to their right to appoint proxies. Notices of and other communications relating to any General Meeting which any member is entitled to receive shall be sent to the Directors of the Company and to any alternate Directors. It shall not be necessary to give any notice to the auditors for the time being of the Company save in respect of the Annual General Meeting. Regulation 38 of Table A shall be varied accordingly.
- 14 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as provided herein a quorum shall consist of one holder of an A Ordinary Share and one holder of a B Ordinary Share each of whom is present in person or by representative or by proxy.
- 15 If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened upon 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 other day and at such other time and place as to the Directors may determine, and if, at that adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

## **REPRESENTATIVES**

- 16 Any person who is a member and who is also acting as the representative or proxy of a member or members or a person who is not a member and who is acting as the representative or proxy of two or more members or a person who is not a Director acting as an alternate Director for two or more Directors or who is a Director and who acts as an alternate Director may sign a written resolution of the members or the Directors (as the case may be) in more than one capacity, and he shall not be obliged to act in the same manner or to vote for or against such resolution in respect of each capacity in which he acts, but such a person who attends a General Meeting of the Company shall be counted once for each capacity in which he acts for the purpose of determining whether the quorum for the transaction of the business of the General Meeting exists.

## **VOTES OF MEMBERS**

- 17 Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person by representative (if a corporation) or by proxy shall have one vote in respect of every Share held by him and on a poll every member shall have one vote for each Share of which he is the holder Provided that in the case of a corporation a director or secretary thereof shall be deemed to be a duly authorised representative of such member.
- 18 An instrument appointing a proxy in any common or usual form or in such other form as the Board of Directors may approve may be used in connection with any General Meeting of the Company.

## **DIRECTORS**

- 19 Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be subject to any maximum but shall be not less than two.

## **ALTERNATE DIRECTORS**

- 20 (A) Each Director shall have the power at any time to appoint as an alternate Director either another Director or any other person approved for that purpose by a resolution of the Directors, and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless the Board of Directors agrees otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company. The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.
- (B) An alternate Director shall not be entitled as such to receive any remuneration from the Company 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, but otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- (C) An alternate Director shall be entitled to receive notices of all meetings of the Board of Directors and of any committee of Directors of which his appointor is a member and to attend and to vote as a Director at any such meeting at which his appointor is not personally present (including the right to a casting vote in the event of his acting as alternate for the Chairman) and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all General Meetings. A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Board of Directors or at any committee of Directors to the number of votes to which every Director whom he represents would be entitled in addition to his own vote (if any) as a Director but shall not count for more than one Director for the purposes of a quorum at any Directors' meeting.
- (D) An alternate Director shall not require a share qualification but shall nevertheless be entitled to attend and speak at any General Meeting of the Company if his appointor is not present.

## **INTEREST OF DIRECTORS**

- 21 A Director (including an alternate Director) who has duly declared his interest therein may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of deciding whether a quorum is present and may retain for his own absolute use and benefit all profits and advantages accruing to him. Regulations 94 and 95 of Table A shall be modified accordingly.

## **PROCEEDINGS OF DIRECTORS**

- 22 (A) Subject to paragraph (C) of this Article the Directors may meet together for the despatch of business as they think fit. The quorum for a meeting of Directors or of a committee of Directors shall (save in the case of a committee comprising one Director only in which case the quorum shall be one) throughout the meeting be at least two Directors (or their alternate Directors).

- (B) A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
  - (C) At least seven days' previous notice in writing shall be given of every meeting of Directors or of a committee of Directors unless either all of the Directors or all of the members consent in writing (which includes consent given by telex, facsimile or any other legible form) to the holding of a meeting on shorter notice. Such notice shall be given to all Directors and also to all alternate Directors and shall set forth the business to be discussed at such meeting and the meeting shall not be competent to deal with any business not referred to in such notice.
  - (D) If within half an hour from the time appointed for the meeting of Directors or of a committee of Directors a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Directors present or their alternates shall be a quorum.
- 23 Save as herein otherwise provided questions arising at any meeting of the Board of Directors or of a committee of Directors shall be decided by a majority of votes provided that in the case of an equality of votes the Chairman of the meeting of Directors or of a committee of Directors shall have a second or casting vote.
- 24 A resolution in writing signed by all the Directors or their respective alternates shall be as effective for all purposes as a resolution passed at a meeting of the Board of Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors and may be in the form of a telex, facsimile or any other legible form sent by any other similar method of transmission and unless the contrary shall be proved it shall be deemed to be duly and validly signed by the person purporting to sign the same and whose name appears in the text as the person signing the same.
- 25 The Board of Directors may delegate any of the powers vested in it to a committee or committees. Any committee so formed shall, in the exercise of any powers delegated to it, conform to any regulations that may be imposed upon it by the Board of Directors.
- 26 It shall not be necessary to give notice of a meeting of the Board of Directors or of a committee of the Directors to any Director who is absent from the United Kingdom.
- 27 All or any of the Directors or any committee thereof may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and be heard by each other. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. 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 is then present.

#### **DISQUALIFICATION OF DIRECTORS**

- 28 Regulation 81 of Table A as applicable to the Company shall be construed with the addition to paragraph (e) thereof of the words "unless he shall have appointed an alternate Director who has not been similarly absent during such period".

- 29 Any person may be appointed or elected as a Director whatever his age and no Director shall be required to vacate his office by reason of his age or having obtained the age of seventy years or any other age.

#### **INDEMNITY**

- 30 (A) Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- (B) The Directors shall have power to purchase and maintain for any Director or other officer of the Company insurance against any such liability as is referred to in Section 310(1) of the Act pursuant to the provisions of Section 310(3) of the Act.