

The Companies Acts of 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
REINSURANCE FINANCE MANAGEMENT LIMITED



1. PRELIMINARY

- 1.1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 shall not apply to the company.
- 1.2 In these articles unless the context otherwise requires the following expressions shall have the following meanings:

"the Act" means the Companies Acts 1985 and 1989;

"articles" means these articles of association of the company;

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

"associated company" means:

any company which is the holding company or a subsidiary of the corporate member in question or a subsidiary of any such holding company; or

any company the share capital of which is vested in the same persons and in the same proportions as the shares of the corporate member in question are vested;

"business day" means a day when banks generally are open for business in the City of London

"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;

“control” shall have the same meaning as in section 840 of the Income and Corporation Taxes Act 1988;

“corporate member” means any member which is a company;

“family” in relation to any principal shall mean any one or more of such principal, his spouse, his parents, his descendants, including persons claiming descendency by adoption, his brothers and sisters, the estates of any such persons and the trustees of a trust (**“family trust”**) exclusively for the benefit of the family of such principal;

“family member” means any member who is a member of a principal’s family;

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

“office” means the registered office of the company;

“Permitted Transfers” means any transfer of any share which is permitted in accordance with the provisions of article 9;

“principal” means any person being an individual who was a member of the company but who will have transferred shares to his family;

“principal corporate member” means the original corporate member who will have transferred shares to any associated 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;

“share” means a share in the capital of the company;

“transfer” means any transfer, sale, charge, mortgage, encumbrance, declaration of trust or other disposal of any share, or any interest in any share, in the capital of the company;

“United Kingdom” means Great Britain and Northern Ireland.

1.3 In these articles, unless the context otherwise requires:

1.3.1 words importing the masculine gender include the feminine gender;

1.3.2 words importing persons include bodies corporate and unincorporated associations; and

1.3.3 words importing the singular shall, where the context so permits, include a reference to the plural and vice versa.

- 1.4 Subject to the above, any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these articles.
- 1.5 Reference to any act, statute or statutory provision shall include any statutory modification, amendment or re-enactment thereof.

2. SHARE CAPITAL

- 2.1 The share capital of the company on the date of the adoption of these articles is £1,000 divided into 1,000 £1 Ordinary Shares.
- 2.2 Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine.
- 2.3 The company may exercise the power of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 2.4 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 as an absolute right to the entirety thereof in the holder.

3. ALTERATION OF SHARE CAPITAL

- 3.1 The company may by ordinary resolution:
 - 3.1.1 increase its share capital by new shares of such amount as the resolution prescribes;
 - 3.1.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - 3.1.3 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
 - 3.1.4 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.
- 3.2 Whenever as a result of a consolidation of shares any member 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 reasonable obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion amongst 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 the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity of the proceedings in reference to the sale.

- 3.3 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.

4. SHARE CERTIFICATES

- 4.1 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 specify the number, class and distinguishing numbers, if any, of the shares to which it relates and the amount or respective amounts paid 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.
- 4.2 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence an 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.

5. PRE-EMPTION RIGHTS ON ISSUE OF SHARES

- 5.1 Notwithstanding anything to the contrary in these articles, no unissued share may be issued without the consent in writing of all the members for the time being of the company.
- 5.2 Notwithstanding anything to the contrary in these articles but subject to article 5.1 or unless otherwise agreed in writing by all the members of the company for the time being, all unissued shares (whether in the original or any increased share capital) shall, before allotment or issue to any person on any terms, be offered on no less favourable terms first to the members in the following manner:
- 5.2.1 the offer shall be made by notice in writing and shall specify the number and class of shares which the company desires to issue ("**Offer Shares**") and the proposed terms of the issue of the shares and shall invite each member to apply in writing within such period ("**Offer Period**") as shall be specified in the notice (being a period expiring not less than 21 days from the date of the notice) for such maximum number of the Offer Shares as he wishes to take and to submit his remittance for the full amount payable in respect of the shares applied for;
- 5.2.2 the Offer Shares (or so many of them as shall have been applied for) shall be allotted on the same terms to and amongst the members who have applied for them

and who have submitted the full remittance in respect of the shares applied for in the earlier of:

- 5.2.2.1 the date of expiration of the Offer Period; or
- 5.2.2.2 the date the company receives notice in writing of the application for or refusal of the Offer Shares from every member;
- 5.2.3 the directors shall allocate the Offer Shares (or so many as shall have been applied for) to and amongst the applying members according to the number of Offer Shares applied for by each of such applying members or, if the number of shares applied for exceeds the number of Offer Shares on the basis that each such applying member shall be allocated the number of Offer Shares applied for by him up to the proportion (as nearly as practicable) of the Offer Shares which the nominal value of shares of whatever class held by each of them respectively bears to the nominal value of the shares held by all such applying members. If any Offer Shares remain unallocated they shall be allocated to and amongst those applying members whose applications have not been satisfied in full in the proportion (as nearly as practicable) which the number of Offer Shares originally applied for by each such applying member less the number of Offer Shares already allocated to him bears to the total number of Offer Shares originally applied for by all such applying members less the number of Offer Shares already allocated to them;
- 5.2.4 if any member is allotted fewer shares than he has applied for, then the balance of the amount remitted by him shall be returned to him (without interest) on the date the shares are allotted to him;
- 5.2.5 no member shall be obliged to take more than the maximum number of shares applied for by him.
- 5.3 The directors may dispose of any unissued shares not applied for by the members or which, by reason of any other difficulty in apportioning the same, cannot in the opinion of the directors be conveniently allotted under this article at a price and on terms no more favourable than those at which the shares were initially offered to the members.

6. LIEN

- 6.1 The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.
- 6.2 The lien conferred by article 6.1 shall also attach to fully paid up shares registered in the name of any person indebted or under liability to the company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

- 6.3 The company may sell in such manner as the directors determine any shares on which the company has a lien, provided all restrictions and all rights of pre-emption upon transfer set out in these articles are complied with, 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 share may be sold.
- 6.4 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.
- 6.5 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 still 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.

7. CALLS ON SHARES AND FORFEITURES

- 7.1 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.
- 7.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 7.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 7.4 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 by 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.
- 7.5 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.

- 7.6 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.
- 7.7 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.
- 7.8 If the notice is not complied with any share in respect of which it was given may, before the payment required by that 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.
- 7.9 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 a 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 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.
- 7.10 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 the 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.
- 7.11 A statutory declaration by a director or the secretary that a share has been forfeited on a specific 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 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.

8. TRANSFERS OF SHARES

- 8.1 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.

- 8.2 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
- 8.3 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.
- 8.4 The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

9. PERMITTED TRANSFERS

- 9.1 Any member being an individual or his personal representative shall be entitled for any consideration whatsoever and otherwise without restriction to transfer the entire legal and beneficial interest in all or any of his shares to a family member and the entire legal and beneficial interest in shares held by family of a principal may be transferred without restriction between family members.
- 9.2 Any corporate member shall be entitled for any consideration whatsoever and otherwise without restriction to transfer the entire legal and beneficial interest in all or any of its shares to an associated company.
- 9.3 Any corporate member shall be entitled for any consideration whatsoever and otherwise without restriction to transfer the entire legal and beneficial interest in all or any of its shares to any persons with the prior written consent of all the directors.

10. PRE-EMPTION RIGHTS ON TRANSFER OF SHARES

- 10.1 Except as provided in these articles, no transfer shall be made or registered unless and until the rights of pre-emption conferred in this article 10 shall have been exhausted.
- 10.2 Except where specifically authorised by these articles no transfer shall be made or registered other than the transfer of the whole legal and equitable title to such share free from all liens, charges and encumbrances and with all right, title and interest in existence at the date of the transfer together with all rights which may arise in respect thereof thereafter.
- 10.3 Except in the case of a Permitted Transfer any member ("**Vendor**") who desires to transfer his shares or any of them or who attempts to transfer any share, otherwise than in accordance with this article 10, shall or, in the case of a transfer required by article 11 ("**Compulsory Transfer**"), shall be deemed to give notice in writing ("**Transfer Notice**") to the company specifying:
- 10.3.1 the shares or interest which he desires or attempts or is required to transfer; and

- 10.3.2 in the case of a transfer other than a Compulsory Transfer the name of any third party to whom he proposes to transfer the shares and the price at and all other terms on which he desires or attempts to transfer the shares.
- 10.4 A Transfer Notice shall constitute the company the Vendor's agent for the sale of the shares specified or deemed to be specified in the Transfer Notice ("**Sale Shares**") in one or more lots, at the discretion of the directors, to the members other than the Vendor at such price ("**Transfer Price**") as may be specified in the Transfer Notice or (if no price is specified in the Transfer Notice or such price is not agreed by the Vendor and the other members within 14 days after the date of the Transfer Notice) such price as the Auditors shall state in writing to be their opinion of a fair selling value thereof. In arriving at such opinion the Auditors shall assume a sale between a willing vendor and a willing purchaser on the date of the relevant Transfer Notice taking into account (if such be the case) any bona fide offer received from any person not being a member to purchase the Sale Shares or any of them but without taking any account of whether the Sale Shares comprise a majority or a minority interest in the company. In producing such statement the Auditors shall be deemed to be acting as experts and not as arbitrators and their decision shall be final and binding upon the parties.
- 10.5 Save in the case of a Compulsory Transfer the Transfer Notice may contain a provision that unless all the Sale Shares are sold pursuant to the provisions of this article 10 none shall be sold and any such provision shall be binding on the company.
- 10.6 Save as provided in article 10.7 a Transfer Notice shall not be withdrawn except with the consent of all the other members of the company.
- 10.7. If the Auditors are asked to state the Transfer Price in accordance with article 10.4:
- 10.7.1 the company shall as soon as it receives the Auditors' statement furnish a certified copy of it to the Vendor;
- 10.7.2 the Vendor shall be entitled (other than in the case of a Compulsory Transfer), by notice in writing given to the company within 10 days of the service upon him of the certified copy of the statement, to cancel the company's authority to sell the Sale Shares in which event he shall be deemed to have withdrawn the Transfer Notice; and
- 10.7.3 the cost of obtaining the Auditors' statement shall be borne as to 50 per cent. by the Vendor and as to the remainder by the member(s) accepting the Sale Shares prorata to the number of Sale Shares purchased by each of them unless the Vendor shall give notice of cancellation in accordance with article 10.7.2 in which case he shall bear the cost.
- 10.8 Upon the Transfer Price being agreed or determined in accordance with article 10.4:
- 10.8.1 the directors shall forthwith give notice in writing to each member (other than the Vendor) ("**Remaining Members**") accompanied by a copy of the Transfer Notice

and the Auditors' statement (if applicable) informing him of the number and Transfer Price of the Sale Shares and shall invite him to state in writing to the company within 21 days from the date of the notice (which date shall be specified in the notice) whether he is willing to purchase any and, if so, how many of the Sale Shares;

- 10.8.2 the directors shall, within seven days after the expiration of the 21 day period referred to in article 10.8.1 notify the Vendor of the number of Sale Shares (if any) which the Remaining Members have agreed to purchase;
- 10.8.3 if the Remaining Members (or any of them) shall within the period of 21 days referred to in article 10.8.1 apply for all or any of the Sale Shares, the directors shall allocate the Sale Shares (or so many of them as shall be applied for) to and amongst the Remaining Members according to the number of Sale Shares applied for by each Remaining Member or, if the number of shares applied for by the Remaining Members exceeds the number of Sale Shares, on the basis that each Remaining Member shall be allocated the number of Sale Shares applied for by him up to the proportion (as nearly as practicable) of the Sale Shares which the number of the existing shares of any class held by each Remaining Member bears to the total number of shares held by all the Remaining Members. If any Sale Shares remain unallocated they shall be allocated to and amongst the Remaining Members whose applications have not been satisfied in full in the proportion (as nearly as practicable) which the number of Sale Shares originally applied for by each Remaining Member less the number of Sale Shares already allocated to him bears to the total number of Sale Shares originally applied for by all the Remaining Members less the number of Sale Shares already allocated to them;
- 10.8.4 the directors shall forthwith give notice in writing of allocations of Sale Shares ("**Allocation Notice**") to the Vendor and the Remaining Members to whom Sale Shares have been allocated and shall specify in the Allocation Notice the name and address of the relevant Remaining Member, the number of Sale Shares to be purchased by him and the place and time (being not less than seven days nor more than 28 days after the date of the Allocation Notice) at which the sale of such shares shall be completed;
- 10.8.5 no applicant shall be obliged to take more than the maximum number of shares specified by him in writing to the company.
- 10.9 Upon the Allocation Notice being given in accordance with article 10.8.4, the Vendor shall be bound, on payment of the Transfer Price, to transfer the shares comprised in the Allocation Notice at the time and place specified.
- 10.10 If the Vendor makes default in transferring any Sale Shares pursuant to article 10.9 or in accepting payment of the Transfer Price for any of the Sale Shares, the chairman for the time being of the company or, failing him, one of the directors or some other person duly nominated by a resolution of the board of directors for that purpose shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute and complete in the name and on behalf of the Vendor a transfer of such Sale Shares to the purchasing member or members and in such circumstances the company:

- 10.10.1 may receive and give good discharge for the purchase money on behalf of the Vendor;
- 10.10.2 shall (subject to the transfer being duly stamped) enter the name of the purchasing member or members in the register of members as the holder or holders by transfer of the shares so purchased by him or them; and
- 10.10.3 shall forthwith pay the purchase money into a separate bank account in the company's name and shall hold such money in trust for the Vendor until he shall deliver up his certificate or certificates for the Sale Shares to the company when the company shall pay to the Vendor the purchase money.
- 10.11 In the event that the Remaining Members do not agree to purchase all the Sale Shares in accordance with article 10.8.1 and the Vendor shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold, none shall be sold (which he shall not be entitled to do in the case of a Compulsory Transfer) the Vendor may, subject to the provisions of this article 10 and notwithstanding any applications from the Remaining Members, at any time within three calendar months after the expiration of the period of 21 days referred to in article 10.8.1 transfer the Sale Shares not agreed to be sold to any person or persons previously approved by the directors such approval not to be unreasonably withheld in the case of a respectable and responsible person at not less than the Transfer Price; but
- 10.11.1 if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold pursuant to this article 10, none should be sold, the Vendor shall not be entitled, save with the written consent of all the other members of the company, to sell only some of the Sale Shares to such person or persons in accordance with this article 10.11; and
- 10.11.2 any sale by the Vendor must be a bona fide sale and the directors may require to be satisfied in such manner as they may reasonably require that the shares are being sold in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer.
- 10.12 In the event of all the Sale Shares being allocated pursuant to article 10.8:
- 10.12.1 subject to the provisions of the Act, the Vendor shall be entitled to be repaid all the indebtedness (if any) owing to him by the company at that date and to be released from any guarantees given by him in respect of the indebtedness or any obligation of the company;
- 10.12.2 any member who shall have notified his willingness to purchase any of the Sale Shares shall, if required by the Vendor, undertake to procure either that the company is put into funds so that such indebtedness may be repaid in full to the Vendor by the company or repay such indebtedness in full to the Vendor directly in place of the company and that any such guarantees are released;

- 10.12.3 until such indebtedness is repaid in full and such guarantees released the provisions of articles 10.9 and 10.10 shall not apply and if such indebtedness is not repaid in full to the Vendor and such guarantees released within three months from the expiration of the period of 21 days referred to in article 10.8.1 the Vendor shall be under no obligation to sell the Sale Shares to the member or members accepting the same and the provisions of article 10.11 shall apply as if none of the Sale Shares had been accepted; and
- 10.12.4 the Vendor, by notice in writing to the company, may waive the provisions of this article 10.12 either in whole or in part.
- 10.13 With the consent in writing of all the members for the time being of the company, all or any of the provisions of this article 10 may be waived by the directors in whole or in part in any particular case.
- 10.14 Save as expressly provided to the contrary in this article 10, the directors shall register any transfer made pursuant to the preceding paragraphs of this article 10.

11. COMPULSORY TRANSFERS

- 11.1 If (a) any principal or (b) any member who is an individual (but not a family member) dies, then (a) the relevant family member(s) (if he is a principal but not a registered member) or (b) he and any relevant family member(s) (if he is a registered member), shall be deemed with effect from such death to have given to the company a Transfer Notice in respect of all the shares legally or beneficially owned by him and his family and the provisions of article 10 shall have effect accordingly.
- 11.2 If any family trust which becomes a member of the company at any time ceases to be a family trust or should any family member die or cease to be family of a principal then, unless such member shall have transferred its or his shares to such principal or to a member of his family within 30 days of such death or cessation, that member shall be deemed with effect from the expiry of such 30 day period to have given to the company a Transfer Notice in respect of all shares legally or beneficially owned by such member and the provisions of article 10 shall have effect accordingly.
- 11.3 If any member shall be adjudged bankrupt then the trustee in bankruptcy shall be bound, within 30 days of his appointment, to give (or shall be deemed to have given with effect from the expiry of such 30 day period) a Transfer Notice to the company in respect of all the shares legally or beneficially owned by such member and the provisions of article 10 shall have effect accordingly.
- 11.4 In the case of a corporate member upon the commencement of any winding-up of the corporate member or upon the appointment of an administrator or administrative receiver, such member shall be deemed to have given immediately prior to such commencement or appointment (as the case may be) a Transfer Notice in respect of all shares legally or beneficially owned by it and any

associated company of it and the provisions of article 10 shall have effect accordingly.

- 11.5 If any associated company of a corporate member which becomes a member of the company at any time ceases to be an associated company of the original corporate member then, unless such member shall have transferred its shares to such original corporate member or to another associated company of such original corporate member within 30 days of such cessation, that member shall be deemed with effect from the expiry of such 30 day period to have given to the company a Transfer Notice in respect of all shares legally or beneficially owned by such member and the provisions of article 10 shall have effect accordingly.
- 11.6 If (a) any corporate member or (b) any principal corporate member (where an associated company of that principal corporate member is a member of the company) ceases to be controlled by the person or persons who were in control of the corporate member (or principal corporate member) at the time when the corporate member (or principal corporate member) became a member of the company, it shall within seven days of such cessation of control give notice in writing to the company of that fact and there shall be deemed with effect from the expiry of such seven day period to have been given to the company a Transfer Notice in respect of all shares legally or beneficially owned by it and any associated company of it and the provisions of article 10 shall have effect accordingly.

12. ISSUE OF SHARES

- 12.1 Subject to the provisions of the Act the company may:
- 12.1.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the holder, on such terms and in such manner as may be set out in these articles (as amended from time to time) or (as to the date on or by which or dates between which the shares are to be or may be redeemed) as may be determined by the directors prior to the date of issue;
- 12.1.2 purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be approved by such ordinary or special resolution as may be required by the Act;
- 12.1.3 to the extent permitted by section 171 of the Act, make a payment in respect of the redemption or purchase of any of its own shares (including any redeemable shares) otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.
- 12.2 Subject as otherwise provided in these articles and to any direction or authority contained in the resolution of the company creating or authorising the same, the directors are generally and unconditionally authorised, for the purposes of section 80 of the Act, to allot or to grant options or rights of subscription or conversion over unissued shares to such persons (whether existing shareholders or not), at such times and on such terms and conditions as they think proper.

12.3 The authority granted to the directors under article 12.2:

12.3.1 shall not permit the directors to allot or to grant options or rights of subscription or conversion over shares to an aggregate amount of more than the unissued share capital on the date of incorporation of the company or (if such authority is renewed or varied by the company in general meeting) the amount specified in the resolution for such renewal or variation;

12.3.2 shall expire not more than five years from the date of the incorporation of the company or (if such authority is renewed or varied by the company in general meeting) on the date specified in the resolution on which the renewed or varied authority shall expire;

12.3.3 may be renewed, revoked or varied at any time by the company in general meeting;

12.3.4 shall permit the directors after the expiry of the period of the said authority to allot any shares or grant any such rights in pursuance of an offer or agreement so to do made by the company within that period.

12.4 In exercising their authority under this article 12 the directors shall not be required to have regard to section 89(1) and section 90(1) to (6) (inclusive) of the Act which sections shall be excluded from applying to the company.

13. DISCLOSURE OF INTEREST IN SHARES

13.1 The directors may at any time require any member to furnish the company with details of the beneficial interest in the shares held by such member.

13.2 If any member referred to in this article 13 has been served with a notice under this article and has failed to supply to the company the information thereby required within 14 days in relation to shares ("**Default Shares**"), the directors may direct in their absolute discretion at any time after the expiry of such 14 day period by means of a notice to the member holding such shares, any or all of the following:

13.2.1 that any dividend or part thereof or other money which would otherwise be payable in respect of the Default Share shall be retained by the company without any liability to pay interest thereon when such money is finally paid to the member; and/or

13.2.2 that no transfer of any of the shares held by such member shall be registered; and/or

13.2.3 such member shall not be entitled in respect of any or all shares held by him to vote at a general meeting either personally or by proxy.

14. GENERAL MEETINGS

14.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.

14.2 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 42 days after receipt of the requisition.

14.3 If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

15. NOTICE OF GENERAL MEETINGS

15.1 All annual general meetings and extraordinary general meetings called for the passing of a special or elective resolution shall be called by at least 21 clear days' notice.

15.2 All other extraordinary general meetings shall be called by at least 14 clear days' notice.

15.3 A general meeting may be called by shorter notice if it is so agreed:

15.3.1 in the case of an annual general meeting by all the members entitled to attend and vote thereat; and

15.3.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95%, or (if an elective resolution as to the majority required to authorise short notice of meetings has been passed in accordance with the Act and remains in force) such lesser percentage as may be specified in the resolution or subsequently determined by the company in general meeting being not less than 90% in nominal value of the shares giving that right.

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

15.5 Subject to the provisions of these articles and to any restrictions imposed on any shares, notice of a general meeting 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.

15.6 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.

16. PROCEEDINGS AT GENERAL MEETINGS

16.1 No business shall be transacted at any meeting unless a quorum is present.

- 16.2 Two members so present and 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 corporate member shall (subject to article 16.3) be a quorum for all purposes provided that, in circumstances where there is one member only who is entitled to vote, the quorum for any general meeting shall for all purposes be that member so present.
- 16.3 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting:
- 16.3.1 if convened upon the requisition of members, shall be dissolved; or
- 16.3.2 if convened otherwise than upon the requisition of members, shall stand adjourned until the same day in the next week at the same time and place, or such other day, time and place as the directors may determine and if at the adjourned meeting a quorum is not present, or ceases to be present, then the member or members present shall be a quorum.
- 16.4 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within 15 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.
- 16.5 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 16.6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to have a casting vote in addition to any other votes he may have.
- 16.7 A director shall, notwithstanding that he is not a member, be entitled to receive notices of and attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company.
- 16.8 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.
- 16.9 No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 16.10 When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted, but otherwise it shall not be necessary to give any such notice.

- 16.11 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on a declaration of the result of, the show of hands a poll is duly demanded.
- 16.12 A poll may be demanded by any member having the right to vote at the meeting.
- 16.13 A demand for a poll by a person as proxy for a member shall be the same as a demand by the member.
- 16.14 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 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.
- 16.15 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.
- 16.16 A poll shall be taken as the chairman may direct and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll.
- 16.17 The result of the poll (unless it was held at an adjourned meeting) shall be taken forthwith.
- 16.18 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 30 days after the poll is demanded.
- 16.19 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than a question on which the poll is demanded.
- 16.20 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made.
- 16.21 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, but 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.

17. RESOLUTIONS

- 17.1 A resolution in writing signed by all the members of the company entitled to receive notice of and to attend and vote at a general meeting or by their duly appointed proxies or attorneys:
- 17.1.1 shall be as valid and effectual as if it had been passed at a general meeting of the company duly convened and held; and

17.1.2 any such resolution in writing may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys and execution in the case of a body corporate which is a member shall be sufficient if made by a director thereof or by its duly authorised representative.

17.2 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these articles and a special resolution shall be effective for any purpose for which an extraordinary resolution is expressed to be required under any provision of these articles.

18. CLASS MEETINGS

18.1 Any separate meeting for the holders of any class of shares shall be convened and conducted in all respects as nearly as possible in the same way as an extraordinary general meeting of the company provided that:

18.1.1 no member, other than a director, shall be entitled to notice of it or to attend unless he is a holder of shares of that class;

18.1.2 no vote shall be given except in respect of the shares of that class;

18.1.3 the quorum attending such meeting shall be two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of the class;

18.1.4 the quorum attending adjourned meetings shall be two persons present in person or by proxy holding shares of the class in question; and

18.1.5 a poll may be demanded in writing by any holder of shares of the class present in person or by proxy and entitled to vote and on a poll each holder shall have one vote for every share of the class in question held by him.

19. VOTES

19.1 Subject to any rights or restrictions attached to any shares, on a show of hands every member present in person, or (if a corporation) present by a representative duly authorised in accordance with the Act who is not also himself a member entitled to vote, shall have one vote for every share of which he is the holder.

19.2 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 for this purpose seniority shall be determined by the order in which the names of the holders stand in the register of members.

19.3 No member shall be entitled to 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, unless all calls or other sums presently payable by him in respect of shares of the company have been paid.

- 19.4 On a poll votes may be given either personally or by proxy.
- 19.5 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor (or, if a corporation, under the hand of a duly authorised officer of the corporation) and shall be in such form as the directors may determine or, failing such determination, in any usual form.
- 19.6 The appointment of a proxy shall not be valid and the proxy named in the instrument shall not be entitled to vote at the meeting unless the instrument appointing the proxy together with any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors:
- 19.6.1 is deposited at the office (or 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 later than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 19.6.2 in the case of a poll taken more than 48 hours after it is demanded, is deposited as specified in article 19.6.1 after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 19.6.3 where the poll is not taken forthwith but is taken not more than 48 hours after it is demanded, is delivered to the chairman or to the secretary or to any director at the meeting at which the poll is demanded.
- 19.7 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 the 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.
- 19.8 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 decisions shall be final and conclusive.

20. VARIATION OF CLASS RIGHTS

- 20.1 Whenever the capital of the company is divided into different classes of share the special rights attached to any class may be varied or abrogated, either whilst the company is a going concern or during or in contemplation of a winding-up, with

the consent in writing of the holder or holders of not less than 75 percent. in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class, but not otherwise.

- 20.2 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these articles or by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

21. DIRECTORS

- 21.1 The number of the directors shall be determined by the company in general meeting but unless and until so determined there shall be no maximum number of directors and the minimum number of directors shall be one.
- 21.2 A sole director shall have authority to exercise all the powers and discretions vested in the directors generally and article 26.3 shall be modified accordingly.
- 21.3 A director or alternate director shall not require any share qualification and any director or alternate director who is not a member of the company shall nevertheless be entitled to receive notices of and attend and speak at any general meeting of the company and at any separate meeting of the holders of any class of shares of the company.
- 21.4 A person may be appointed a director notwithstanding that he shall have attained the age of seventy years or any other age and no director shall be liable to vacate office by reason of his attaining that or any other age, nor shall special notice be required of any resolution appointing or approving the appointment of such a director or any notice be required to state the age of the person to whom such resolution relates.
- 21.5 Notwithstanding any rule of law or equity to the contrary, a director who has been appointed to the board by a member or class of members pursuant to these articles or any agreement between all the members of the company from time to time to represent the interests of that member or class of members shall not be taken to be in breach of his fiduciary duty to act in the best interests of the company by reason only that, in the performance of his duties and the exercise of his powers, he has regard to the interests and acts upon the wishes of that member or class of members unless no honest and reasonable director could have formed the view that in so doing the director was also promoting the interests of the company as a whole.
- 21.6 The first directors of the company shall be the persons named as the first directors of the company in the statement delivered under section 10 (2) of the Act.
- 21.7 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.

- 21.8 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.

22. APPOINTMENT OF DIRECTORS

- 22.1 Subject to Article 22.2, the company in general meeting may appoint any person to be a director whether in addition to or replacement of any of the directors and such person shall continue in office until the same is vacated according to Article 21.
- 22.2 No person shall, unless recommended by the directors, be appointed as a director at any general meeting unless, not less than 7 nor more than 28 days before the date appointed for the meeting, notice signed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment stating the particulars which would be required to be recorded in the register of directors together with notice signed by that person of the willingness thereof to be appointed.
- 22.3 The directors may appoint a person to be a director, either to fill a casual vacancy or as an additional director, so long as the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and then shall be eligible for election and, if not then reappointed, shall vacate office.

23. DISQUALIFICATION OF DIRECTORS

- 23.1 The office of a director shall be vacated in any of the following events:
- 23.1.1 if he resigns his office by notice in writing to the company;
- 23.1.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 23.1.3 if he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- 23.1.4 if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- 23.1.5 if he is absent from meetings of the board for six successive months without leave and his alternate director (if any) shall not during such period have attended in his stead, and the directors resolve that his office be vacated.

24. POWERS OF DIRECTORS

- 24.1 Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 24.2 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.
- 24.3 The directors may exercise all the powers of the company to borrow or raise money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage or charge over its undertaking, property and uncalled capital, or any other part thereof, and subject, in the case of any security convertible into shares, to section 80 of the Act or any election of the company in relation thereto to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or of any third party.
- 24.4 Without prejudice to the powers conferred by article 24.1, the directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the company, or of any undertaking which is or was a subsidiary undertaking of the company or allied to or associated with the company or any such subsidiary undertaking, or of any of the predecessors in business of the company or of any such other undertaking and the spouses, widows, widowers, families and dependants of any such persons, and make payments to, for or towards the insurance of or provide benefits otherwise for any such persons.
- 24.5 Without prejudice to the provisions of articles 24.1 and 27, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time:
- 24.5.1 directors, officers, employees or auditors of the company or of any other company which is its holding company, or in which the company or such holding company has any interest whether direct or indirect, or which is in any way allied to or associated with the company or such holding company or of such other company;
- 24.5.2 trustees of any pension fund in which employees of the company or of any other such company or subsidiary undertaking are interested;

including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported exercise, execution or discharge of their powers or duties or otherwise in relation to their duties, powers, or offices in relation to the company or any other such company, subsidiary undertaking or pension fund.

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

25. DIRECTORS' INTERESTS

- 25.1 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:

25.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested (including any insurance purchased or maintained by the company for him or for his benefit);

25.1.2 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

25.1.3 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 such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

- 25.2 For the purposes of article 25.1:

25.2.1 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

25.2.2 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.

26. PROCEEDINGS OF DIRECTORS

- 26.1 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 26.2 A director may, and the secretary at the request of a director shall, call a meeting of the directors.
- 26.3 The quorum necessary for the transaction of the business of the directors shall be three. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week 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 the director or directors present shall be a quorum.
- 26.4 Questions arising at a meeting shall be decided by a majority of votes.
- 26.5 The directors may elect one of their number to be chairman of the board of directors and may at any time remove him from that office.
- 26.6 If there is no director holding the office of chairman, or if the director holding it, having had notice of a meeting, is not present within five minutes after the time appointed for it, the directors present shall appoint one of their number to be chairman of the meeting.
- 26.7 In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 26.8 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.
- 26.9 Any director who is to be absent from the United Kingdom for more than 24 hours shall be required to give notice to the other directors of his intended whereabouts and shall in particular provide details of how he may be contacted. It shall be necessary to give notice of a meeting to any such director at the location and in the manner specified by him and, provided that such notice has been given at the location and in the manner specified, no meeting shall be declared invalid by reason only of the failure of that director to receive notice of the meeting. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom for more than 24 hours and who fails to give notice of his intended whereabouts.
- 26.10 Unless otherwise agreed by all the directors, at least three clear days' notice in writing shall be given to each director of every meeting of the directors. Every such notice shall contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and be accompanied by any relevant papers for discussion at such meeting. Unless all the directors (or their alternates) for the time being are present at a meeting no business or resolution shall be transacted or passed at that meeting except as was fairly disclosed in the agenda for such meeting.

- 26.11 An alternate director who is not himself a director may, if his appointor is not present, be counted towards the quorum.
- 26.12 A meeting of the directors shall, subject to notice thereof having been given in accordance with these articles, for all purposes, be deemed to be held when a director is or directors are in communication by telephone, television or any other form of audio-visual or electronic linking with another director or directors and all of the directors in communication agree to treat the meeting as so held, if the number of the directors in communication constitutes a quorum of the board in accordance with these articles. A resolution passed by the directors at such a meeting as specified in this article 26.12 shall be as valid as it would have been if passed at an actual meeting duly convened and held.
- 26.13 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 be contained in one document or in several documents in the same terms 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.
- 26.14 A director who is in any way either directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the company:
- 26.14.1 shall declare the nature of his interest at a meeting of the directors in accordance with section 317 of the Act;
- 26.14.2 subject to such disclosure, shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.
- 26.15 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 to the contract of service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.
- 26.16 The directors may provide benefits, whether by the payment of gratuities of pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his

family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

- 26.17 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.

27. ALTERNATE DIRECTORS

- 27.1 Any director may at any time by writing under his hand and deposited at the office, or delivered at a meeting of the directors, appoint any person (including another director) to be his alternate director and may in like manner at any time terminate such appointment.
- 27.2 The appointment of an alternate director shall determine on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases to be a director.
- 27.3 An alternate director shall be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at any such meeting to perform all the functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he (instead of his appointor) were a director.
- 27.4 If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative.
- 27.5 If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, the execution by an alternate director of any resolution in writing of the directors shall be as effective as the execution by his appointor.
- 27.6 To such extent as the directors may from time to time determine in relation to any committees of the directors, the foregoing provisions of this article 27 shall also apply mutatis mutandis to any meeting of such committee of which the appointor of an alternate director is a member.
- 27.7 An alternate director shall not (save as provided in this article 27) have power to act as a director nor shall be deemed to be a director for the purposes of these articles, but he shall be an officer of the company and shall not be deemed to be the agent of the director appointing him.
- 27.8 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent 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.

28. SECRETARY

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

29. MINUTES

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

30. EXECUTION OF DOCUMENTS

- 30.1 Where the Act so permits, any instrument signed by one director and the secretary or by two directors and expressed to be executed by the company as a deed shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the directors or of a committee authorised by the directors in that behalf.

31. DIVIDENDS

- 31.1 Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
- 31.2 Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

- 31.3 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 31.4 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any particular difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 31.5 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
- 31.6 No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.
- 31.7 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.
- 31.8 The directors may deduct from any dividend payable on or in respect of a share all sums of money presently payable by the holder to the company on any account whatsoever.

32. ACCOUNTS

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

33. CAPITALISATION OF PROFITS

- 33.1 The directors may with the authority of an ordinary resolution of the company:

- 33.1.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve;
- 33.1.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- 33.1.3 make such provision by the issue of fractional certificates or payments in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
- 33.1.4 authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

34. NOTICES

- 34.1 Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 34.2 A notice may be given by the company to any member in writing either by hand or by sending it by pre-paid first class post or facsimile telecopier ("**fax**") to his registered address within the United Kingdom or to his fax number supplied by him to the company for the giving of notice to him. In the absence of such address or fax number the member shall not be entitled to receive from the company notice of any meeting.
- 34.3 In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
- 34.4 Notices shall be deemed to have been received:
 - 34.4.1 if delivered by hand, on the day of the delivery;
 - 34.4.2 if sent by first class post two business days after posting exclusive of the day of posting;

- 34.4.3 if sent by fax at the time of transmission or, if the time of transmission is not during the addressee's normal business hours, at 9.30am on the next business day.
- 34.5 A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 34.6 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
- 34.7 A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by a name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any other like descriptions at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

35. INDEMNITY

- 35.1 Subject to the provisions of and so far as may be permitted by the Act, every director, secretary or other officer of the company shall be entitled to be indemnified out of the assets of the company against all costs, charges, losses, expenses and liabilities incurred or sustained by him in the execution and discharge of his duties or otherwise in relation thereto.

36. WINDING UP

- 36.1 In the event of the holder or holders of a majority in nominal value of the shares of any class in the capital of the company desiring the winding up of the company:
- 36.1.1 such holder or holders ("**Vendor**") shall, before applying to the court for the winding up of the company or proposing any resolution for the winding up of the company, first give notice in writing ("**Transfer Notice**") to the company and to the other members of such desire;
- 36.1.2 a Transfer Notice shall constitute the company the Vendor's agent and the agent of the other members of the same class of shares for the sale of all the shares of that class in the company ("**Sale Shares**") to the members of the other class of shares in the company;
- 36.1.3 the Transfer Notice shall be deemed to contain a provision that unless all the Sale Shares are sold pursuant to the provisions of this article 36 none shall be sold and shall not specify a Transfer Price;
- 36.1.4 the Transfer Price shall be agreed or determined as provided in article 10.4 and thereafter the directors shall forthwith give notice in writing to each member

holding shares of the other class informing him of the number and Transfer Price of the Sale Shares and the provisions of articles 10.8, 10.9 and 10.10 shall apply;

36.1.5 articles 10.11 and 10.12 shall not apply.

36.2 In the event of all the Sale Shares not being sold under the preceding paragraphs of this article 36 then the company shall be wound up and for the purposes of this article 36 the members of the company may vote only in favour of any resolution to be proposed at a general meeting of the company for the winding up of the company and the Vendor and other holder or holders of shares of the same class whether present in person or by proxy shall have four votes for every such share and every other member holding shares of the other class shall have one vote for each such share of which he is the holder.

NAME, ADDRESS AND DESCRIPTION
OF SUBSCRIBER

Number of Shares
taken by Subscriber

Randall & Quilter Investment Holdings Limited

60