

**ELLENBROOK HOLDINGS LIMITED (the "Company")
MEMBER'S WRITTEN RESOLUTIONS**

We, the undersigned, being the required authorised representatives of the members of the Company who (at the date hereof) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which we were present, hereby agree pursuant to regulation 53 of Table A (adopted by article 1 of the Company's articles of association) to the passing of the resolutions set out below (of which the resolution numbered 1 would otherwise be required to be passed as an ordinary resolution and the resolutions numbered 2 - 5 would otherwise be required to be passed as a special resolution) by way of written resolution; and

THAT:-

1. the share capital of the Company be increased to £100,000 by the creation of an additional 99,000 shares of £1 each identical to and ranking pari passu with the existing shares of £1 each of the Company;
2. the directors be generally and unconditionally authorised for the purposes of Section 80 of the Companies Act (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £100,000. This authority shall expire on 31 January 2002 save that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired. This authority shall be in substitution for and shall replace any existing authority pursuant to the said Section 80 to the extent not utilised at the date this resolution is passed;
3. Jeffrey Thornton and Colin Exford be appointed as directors of the Company.

for and on behalf of
Carillion Private Finance Limited

Nigel Jones

Date: *21 January* 2002



SCHEDULE 1
Articles of Association of the Company

Company No. registered no. 4318529

THE COMPANIES ACTS 1985 AND 1989



PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF

ELLENBROOK HOLDINGS LIMITED Adopted by special resolution passed on 23 January 2002

Company No 4318539

PRELIMINARY

1. In these articles:

"Act" means the Companies Act 1985 including any statutory modification or re-enactment of that Act for the time being in force;

"articles" means the articles of the Company;

"Board" means the board of directors of the Company;

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

"Director" means a director appointed as such pursuant to article 19;

"executed" means any mode of execution;

"Group", in relation to any company, means the company and its subsidiary undertakings and holding companies from time to time and each subsidiary from time to time of each such holding company and "member of the Group" shall be construed accordingly;

"Listing" means the admission of any of the Company's shares to the Official List of the London Stock Exchange or any other recognised stock exchange (as defined in section 716(4) of the Act);

"office" means the registered office of the Company;

"Ordinary Dividend" shall have the meaning ascribed to it in article 30;

"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;

"shareholder" means, in relation to any share, the member whose name is entered in the register of members as the shareholder of the share;

"shares" means the ordinary shares in the capital of the Company; and

"United Kingdom" means Great Britain and Northern Ireland.

- 1.1 Unless the context otherwise requires, words or expressions contained in the articles bear the same meaning as in the Act, but excluding any statutory modification of the Act not in force when these articles become binding on the Company.
- 1.2 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 1.3 No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table A in the schedule to the Companies (Table A to F) Regulations 1985 (as amended), apply as the regulations or articles of association of the Company.
2. **PRIVATE COMPANY**
 - 2.1 The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
3. **SHARE CAPITAL**
 - 3.1 The share capital of the Company at the date of adoption of these articles is £100,000 divided into 100,000 ordinary shares of £1 each.
 - 3.2 Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

- 3.3 Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as may be provided by the articles.
- 3.4 Sections 89(1) and 90 of the Act will not apply to any allotment of equity securities (as defined in the Act of the Company).
- 3.5 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly-paid shares or partly in one way and partly in the other.
- 3.6 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of that share in the shareholder.

4. SHARE CERTIFICATES

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

5. LIEN

- 5.1 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 article. The Company's lien on a share shall extend to any amount payable in respect of it.
- 5.2 The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the shareholder of the share or to the person entitled to it in consequence of the death or bankruptcy of the shareholder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 5.3 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 or invalidity in the proceedings in reference to the sale.
- 5.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys

not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

6. CALLS ON SHARES AND FORFEITURE

- 6.1 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 in 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 of which the call was made.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 6.3 The joint shareholders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 6.4 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 of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
- 6.5 An amount payable in respect of a share on allotment or at any fixed date or on the occurrence of a certain event, 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 when due all the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
- 6.6 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares.
- 6.7 If a call remains unpaid fourteen clear days after it has become due and payable, any Share in respect of which it was given may, before the payment required by the call 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.
- 6.8 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the shareholder or to any other person and at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 6.9 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

- 6.10 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

7. TRANSFER OF SHARES

- 7.1 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.
- 7.2 The directors may refuse to register a transfer unless:-
- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
 - (b) it is in favour of not more than four transferees; and
 - (c) such transfer is executed by any bank or institution to whom such shares have been charged by way of security, or by any nominee or nominees of such bank or institution, pursuant to the power of sale under such security, and a certificate by any official of such bank or institution that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.
- 7.3 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 7.4 The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine.
- 7.5 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.
- 7.6 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.

8. TRANSMISSION OF SHARES

- 8.1 If a member dies the survivor or survivors where he was a joint shareholder, and his personal representatives where he was a sole shareholder or the only survivor of joint shareholders shall be the only persons recognised by the Company as having any title to his interest; but nothing in the articles shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
- 8.2 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the shareholder of the share or to have some person nominated by him registered as the transferee. If he elects to become the shareholder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if

it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

- 8.3 A person becoming entitled to a share by reason of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the shareholder of the share, except that he shall not, before being registered as the shareholder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the shareholders of any class of shares in the Company.

9. ALTERATION OF SHARE CAPITAL

9.1 The Company may by ordinary resolution:

- (a) increase its share capital by new shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

- 9.2 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 9.3 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.

10. PURCHASE OF OWN SHARES

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

11. GENERAL MEETINGS

- 11.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 11.2 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 28 days after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member may call a general meeting.

12. NOTICE OF GENERAL MEETINGS

- 12.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (a) in the case of the annual general meeting or a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote at that meeting; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 12.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
- 12.3 Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all the persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.
- 12.4 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.

13. PROCEEDINGS AT GENERAL MEETINGS

- 13.1 No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of each of the shareholders of the Company, shall be a quorum.
- 13.2 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.
- 13.3 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such day and at such time and place as the directors may determine.
- 13.4 The chairman, if any, of the Board 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.
- 13.5 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.

- 13.6 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the shareholders of any class of shares in the Company.
- 13.7 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 13.8 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote.
- 13.9 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 13.10 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.
- 13.11 A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 13.12 In the case of equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have.
- 13.13 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 13.14 No notice need be given of a poll not taken forthwith if the time and place at which it is taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place time at which the poll is to be taken.
- 13.15 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. If a resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly. Any such resolution shall be effective on the date it is signed by the last member to sign it, or on such other date as may be specified in the resolution.

14. **VOTES OF MEMBERS**

- 14.1 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every share of which he is the shareholder.
- 14.2 In the case of joint shareholders 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 shareholders; and seniority shall be determined by the order in which the names of the shareholders stand in the register of members.
- 14.3 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 14.4 No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the shareholders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- 14.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 14.6 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it.
- 14.7 An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor.
- 14.8 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:
- (a) be left at or sent by post or by facsimile transmission to 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 at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - (b) in the case of a poll taken more than one hour after it is demanded, be deposited as aforesaid after the poll has been demanded and at any time before the time appointed for the taking of the poll; or
 - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

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

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

15. NUMBER OF DIRECTORS

- 15.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number is one.

16. ALTERNATE DIRECTORS

- 16.1 Any director (other than an alternate director) may appoint any person willing to act, whether or not he is a director of the Company and without the approval of the directors, to be an alternate director and may remove from office an alternate director so appointed by him.
- 16.2 An alternate director shall, whether or not he is absent from the United Kingdom, be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and (if and to the extent the director appointing the alternate has voting rights) vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 16.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director.
- 16.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors. Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors.
- 16.5 Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

17. POWERS OF DIRECTORS

- 17.1 Subject to the provisions of the Act, the memorandum and articles and to any directions given by resolution of the members, 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 article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 17.2 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.

18. DELEGATION OF DIRECTORS' POWERS

- 18.1 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 provisions of the articles regulating the proceedings of directors so far as they are capable of applying. Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

19. APPOINTMENT AND REMOVAL OF DIRECTORS

- 19.1 If a shareholder (a "Nominating shareholder") holds 20% or more of the shares in issue or, if the members of a Group (a "Nominating Group") hold, individually and/or when taken together, 20% or more of the shares in issue, such Nominating shareholder (or, as the case may be such Nominating Group) is entitled to appoint and remove one director for every 20% of the shares in issue of the Company that it holds. Any such Nominating shareholder (or any shareholder in the Nominating Group, as the case may be) may make appointments and removals of the directors it has the right to appoint by notice served on the other shareholders (and the other shareholders shall endorse such notice forthwith and serve the endorsed notice on the Company at the registered office of the Company).

20. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 20.1 The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or
- (d) he resigns his office by notice to the Company; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated; or
- (f) the shareholder or Group which appointed that director ceases to hold at least 20% of the shares.

- 20.2 A person voting against a resolution under section 303 of the Act to remove a director is deemed, in respect of that resolution, to have four times the votes of a person voting in favour of the resolution.

21. REMUNERATION OF DIRECTORS

- 21.1 The directors shall be entitled to such remuneration as the Company may determine and, unless the Company provides otherwise, the remuneration shall be deemed to accrue from day to day.

22. DIRECTORS' EXPENSES

- 22.1 The directors may be paid all reasonable 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 shareholders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

23. DIRECTORS' APPOINTMENTS AND INTERESTS

- 23.1 Subject to the provisions of the Act, the directors may appoint one or more of their body 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 determine if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.
- 23.2 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 23.3 For the purposes of article 23:
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

24. DIRECTORS' GRATUITIES AND PENSIONS

- 24.1 The directors may not provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or 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 not (whether before or after he ceases to hold such office or employment) contribute to any fund or pay premiums for the purchase or provision of any such benefit.

25. PROCEEDINGS OF DIRECTORS

- 25.1 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors.

Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. Questions arising at a meeting shall be decided by a majority of votes. Each director shall have one vote. If only one of the directors nominated by a Nominating Shareholder (or Nominating Group, as the case may be) holding 40% or more of the shares in issue of the Company is present then that director shall have two votes. In the case of an equality of votes, the chairman shall not have a second or casting vote. A director who is also an alternate for a director shall be entitled in the absence of his appointor to separate votes on behalf of his appointor in addition to his own votes.

- 25.2 A director or his alternate director may participate in a meeting of directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of directors is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 25.3 The quorum for the transaction of the business of the directors shall be three directors one having been nominated by each of the shareholders respectively. A person who holds office only as an alternate director for a director shall, if his appointor is not present, be counted in the quorum.
- 25.4 Meetings of the Board shall take place no less frequently than twice a year and at not more than six month intervals and at least fourteen working days' notice shall be given to each director provided that with the consent of two directors, one having been nominated by each shareholder respectively, board meetings may be convened on less notice.
- 25.5 The directors shall appoint one of their number to be the chairman of the board of directors for a twelve month period, but may at any time remove him from that office. Such appointment shall be in accordance with the nomination of each member which appointed the directors, by rotation and in order, alphabetically, of their respective names, starting with the first in the alphabet. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
- 25.6 All acts done by a meeting of directors, or of a committee of directors, or by any 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.
- 25.7 A resolution in writing signed by all the directors shall be as valid and effectual as if it has been passed at a meeting of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director it need not be signed by the alternate director in that capacity.
- 25.8 If and for so long as there is a sole director of the Company:
- (a) he may exercise all the powers conferred on the directors by the articles by any means permitted by the articles or the Act;

- (b) for the purpose of article 25.2 the quorum for the transaction of business is one; and
 - (c) all other provisions of the articles apply with any necessary modification (unless the provision expressly provides otherwise).
- 25.9 Without prejudice to the obligation of a director to disclose his interest in accordance with section 317 of the Act, a director may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted.
- 25.10 The directors may exercise all the powers of the Company to borrow and raise money. The directors may mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 26. **SECRETARY**
- 26.1 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 think fit; and any secretary so appointed may be removed by the directors.
- 27. **MINUTES**
- 27.1 The directors shall cause minutes to be made in books kept for the purpose:
 - (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings of meetings of the Company, of the shareholders 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.
- 28. **THE SEAL**
- 29. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed, and unless otherwise so determined every such instrument shall be signed by a director and by the secretary or by a second director.
- 30. **DIVIDENDS**
- 30.1 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends (the "Ordinary Dividend") in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
- 30.2 The shareholders are not entitled to an Ordinary Dividend if it is waived in writing by the shareholders of 75% or more of the shares in issue.
- 30.3 If an Ordinary Dividend is not paid on the due date the amount unpaid shall be carried forward and paid in priority to any other dividend or distribution of the Company, increased by an amount representing interest on the unpaid amount at a rate of 4% per annum which shall accrue from day to day and compound annually on 31 December in each year.

- 30.4 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 shareholders 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.
- 30.5 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 amount 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.
- 30.6 The directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.
- 30.7 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such 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.
- 30.8 Any dividend or other moneys payable on or 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 shareholders of the share or are jointly entitled to it by reason of the death or bankruptcy of the shareholder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint shareholder 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.
- 30.9 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. ACCOUNTS

- 31.1 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.

32. CAPITALISATION OF PROFITS

- 32.1 The directors may with the authority of an ordinary resolution of the Company:

- (a) subject as provided in this article, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for

distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;

- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such 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 article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly-paid shares rank for dividend;
- (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions; and
- (e) 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 may be entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

33. NOTICES

- 33.1 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.
- 33.2 Any notice or other communication to be given by the Company to any member (or other person entitled to receive notices under the articles) shall be in writing and shall be delivered personally or sent by first class post in a pre-paid envelope (and air mail if overseas) or by facsimile to the party due to receive the notice or communication at its registered address. In the case of joint shareholders of a share, all notices shall be given to the joint shareholder 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 shareholders. Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address. In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given:
 - (a) if delivered personally, when left at the registered address;
 - (b) if sent by mail other than air mail, three days after posting it;
 - (c) if sent by air mail, six days after posting it; and
 - (d) if sent by facsimile, when clearly received in full.
- 33.3 A member present, either in person or by proxy, at any meeting of the Company or of the shareholders 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.

33.4 Every person who becomes entitled to any 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 given to the person from whom he derives his title.

33.5 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, 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.

34. **WINDING UP**

34.1 If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

35. **INDEMNITY**

35.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, each person who is a director, alternate director or secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred:

- (a) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
- (b) in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

35.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was:

- (a) a director, alternate director, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
- (b) trustee of a retirement benefits scheme or other trust in which a person referred to in the preceding paragraph is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company.