

COMPANY NUMBER : 5115515



COMPANIES ACT 1985  
(as amended)

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

WELLPETS LIMITED

Incorporated on 29 April 2004  
(as amended by special resolution passed on 8 February 2005)

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1. The Company's name is Wellpets Limited.
  2. The Company's registered office is to be situated in England and Wales.
  3. The Company's objects are:
    - a. To carry on the business of a general commercial company.
    - b. To acquire by purchase, lease, exchange, hire or otherwise and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property of any kind
    - c. To acquire by purchase, application, registration or otherwise and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, licences, secret processes, trade marks, designs, protections and concessions or any other intellectual property rights and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same.
    - d. To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and undertake all or any of the liabilities of such person, firm or company as part of the consideration for such acquisition, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
    - e. To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences,

options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

- f. To invest and deal with the monies of the Company not immediately required and to hold or otherwise deal with any investments made in such manner as the Company may from time to time determine.
- g. To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- h. To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- i. To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, warrants, debentures, and other negotiable or transferable instruments.
- j. To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- k. To acquire by subscription or otherwise, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, or any other securities issued or guaranteed by any company constituted or carrying on business in any part of the world, and any such securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- l. To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest.
- m. To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or

otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

- n. To sell or otherwise dispose of the whole or any part of the business or property of the Company for such consideration as the Company may think fit.
- o. To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- p. To remunerate any person, firm or company rendering services to the Company either by cash payment or otherwise.
- q. To distribute among the Members of the Company in kind any property of the Company properly distributable amongst the members.
- r. To pay or procure the payment of all or any expenses incurred in connection with the promotion, formation and incorporation of the Company.
- s. To give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors or employees of the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance including insurance for any Director, officer or Auditor against any liability incurred by such persons in respect of any act or omission by them in relation to the carrying out of their obligations and duties in relation to the Company.
- t. Subject to and in accordance with a due compliance with the provisions of section 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in section 152(1)(a) of the Act) for any such purpose as is specified in section 151(1) and/or section 151(2) of the Act.
- u. To procure the Company to be registered or recognised in any part of the world.
- v. To do all or any of the things authorised in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- w. To do all such other things as may be deemed incidental or conducive to the attainment of the Company's object or of any of the powers given to it by the Act or by this Clause.

AND so that:

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object set

forth in such sub-clause, or by reference to or interference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.

- (2) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether incorporated, registered, resident or domiciled in the United Kingdom or elsewhere.
  - (3) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
4. The Company will not practise, hold itself out as practising, or as being prepared to practise veterinary surgery and any director, officer or employee of the Company who is not registered as a veterinary surgeon or veterinary practitioner will not practice, hold him/herself as practising or as being prepared to practise veterinary surgery. The Company, its directors and officers recognise that veterinary surgery is restricted under the Veterinary Surgeons Act 1966. Subject to specified exemptions, any veterinary surgery carried out under the name of the Company must be carried out by veterinary surgeons or veterinary practitioners; persons registered as such with the Royal College of Veterinary Surgeons. For this purpose "veterinary surgery" means the art and science of veterinary surgery and medicine and without prejudice to the generality of the foregoing, shall be taken to include the diagnosis of the injuries and ailments of animals, tests performed on animals for diagnostic purposes, the treatment of injuries/ailments and the giving of advice following diagnosis.
5. The liability of the Members is limited.
6. The Company's share capital is £10,000 divided into 5,000 "A" Shares of £1 each and 5,000 "B" shares of £1 each.

COMPANY NUMBER:- 05115515

*R. Smith*

THE COMPANIES ACT 1985

(AS AMENDED)

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

WELLPETS LIMITED

(Incorporated on 29 April 2004)

(As amended by special resolution passed on *8 February* 2005)

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PRELIMINARY

1.

1.1 In these Articles the following words and expressions shall have the following meanings:-

"A" Director"	any director appointed and holding office from time to time pursuant to Article 17.1;
"A" Shares"	the "A" Shares of £1 each in the share capital of the Company from time to time;
"B" Director"	any director appointed and holding office from time to time pursuant to Article 17.2;
"B" Shares"	the "B" Shares of £1 each in the share capital of the Company from time to time;

the Company from time to time;

"equity share capital" means any ordinary shares in the share capital of the Company for the time being in issue;

"Fair Value" the fair value of the Sale Shares on a sale as between a willing seller and a willing purchaser. In determining such fair value the following factors shall be taken into account:

- (a) having regard to the rights and restrictions attached to such shares in respect of voting income and capital;
- (b) disregarding whether or not such shares represent a minority interest;
- (c) if the Company is then carrying on business as a going concern, assuming that it will continue to do so;

"ordinary shares" the "A" Shares and the "B" Shares;

"shareholder" a holder for the time being of any shares;

"shares" any shares for the time being in the capital of the Company of whatever class;

"Table A" Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended);

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

"the Board" the board of directors of the Company from time to time;

- 1.2 The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. Regulations 3, 8, 24, 40, 41, 50, 54, 64, 65 to 69, 73 to 81, 94 to 97 (in each case inclusive), 99 and 118

shall not apply, but, subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company. References in these Articles to "regulations" are to regulations in Table A.

#### PRIVATE COMPANY

2. The Company is a private company within the meaning of section 1 of the Act.

#### SHARES

3.

- 3.1 The share capital of the Company is £10,000 divided into 5,000 "A" Shares and 5,000 "B" Shares. The "A" Shares and the "B" Shares shall be separate classes of shares and shall carry the respective voting rights and rights to appoint and remove directors and be subject to the restrictions on transfer *hereinafter provided*, and the directors may at any time resolve to declare a dividend on one or more classes of share and not on one or other classes, but in all other respects shall rank *pari passu*.
- 3.2 Subject to the provisions of the Act and without prejudice to Article 3.3:
- 3.2.1 any shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder of *such shares on such terms and in such manner as may be provided by the articles or as the Company may by resolution determine*;
- 3.2.2 the Company may purchase any of its shares (including any redeemable shares); and
- 3.2.3 the Company may make a payment in respect of the redemption or *purchase of any of its shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares*.
- 3.3 All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall

be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this article 3.3 shall have effect subject to section 80 of the Act.

- 3.4 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 3.5 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.
- 3.6 *On the transfer of any share as permitted by these Articles:*
- 3.6.1 a share transferred to a non-member shall remain of the same class as before the transfer; and
- 3.6.2 every share which is transferred to a shareholder holding shares of a different class to the class transferred shall automatically be



redesignated on transfer as a share of the same class as that held by such shareholder prior to the date of transfer and if that shareholder holds more than one class of shares then the shares transferred to him shall be redesignated in proportion (as nearly as may be) to the numbers of shares in the various classes then held by such shareholder.

- 3.7 Unless all the shareholders otherwise agree in writing, any new shares issued to any shareholder shall be of the same class as the class of shares registered in the name of that shareholder prior to the date of issue and if such shareholder holds more than one class of shares, then the shares to be issued to him shall be issued in proportion to the various classes then held by such shareholder.
4. The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any person for all moneys presently payable by him or his estate to the Company, whether he shall be the sole registered holder of it or shall be one of several joint holders; but 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, if any, on a share shall extend to all dividends payable on it.
5. The liability of any shareholder in default in respect of a call shall be increased by the addition at the end of the first sentence in Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

#### SHARE CERTIFICATES

6. Regulation 6 of Table A shall be amended by the insertion of the words "...or signed by any two directors or any one director and the company secretary...." after the words "every certificate shall be sealed with the seal...".

#### TRANSFERS

- 7.

- 7.1 The directors shall not refuse to register any transfer of a share which is permitted under these Articles but may, in their absolute discretion and without giving any reason, refuse to register the transfer of any share, whether or not it is fully paid, and they may refuse to register the transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless:
- 7.1.1 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;
  - 7.1.2 it is in respect of only one class of shares; and
  - 7.1.3 it is in favour of not more than four transferees.
- 7.2 No share shall be transferred to any infant, bankrupt or person of unsound mind.

#### TRANSFER BY SHAREHOLDERS

#### 8.

- 8.1 Any shareholder ('the Retiring Shareholder') wishing to transfer part or all of the shares held by him or any beneficial interest therein shall first give a notice in writing ('a Sale Notice') to the Company specifying the number of the shares which he wishes to sell ('the Sale Shares'). The Sale Notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at Fair Value (as determined in accordance with the provisions of Article 8.3). If the capital of the Company is divided into separate classes of shares a separate Sale Notice shall be given for each class of shares comprising the Sale Shares.
- 8.2 A Sale Notice may provide that unless all the Sale Shares are sold in accordance with this Article none shall be sold ('a Total Sale Condition'). Other than expressly provided in this Article, a Sale Notice shall be revocable at any time until the end of the valuation period (as defined in Article 8.3). If a Retiring Shareholder revokes a Sale Notice he may not

subsequently transfer the Sale Shares (or any interest in them) other than in accordance with this Article.

8.3 The Fair Value of the Sale Shares:

8.3.1 shall be determined by agreement between the Retiring Shareholder and the Board; or

8.3.2 in default of agreement within 14 days of the date of receipt of the Sale Notice by the Company shall be certified by an independent chartered accountant of not less than five years standing to be agreed between the Retiring Shareholder and the Board and in default of agreement to be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales. In so certifying the chartered accountant shall act as an expert and not as an arbitrator and his decision shall (save in case of manifest error) be final and binding upon the parties.

If the Fair Value as certified by the independent chartered accountant is unacceptable to the Retiring Shareholder he may, within 7 days of the Fair Value being so certified ('the valuation period'), revoke his Sale Notice by giving notice in writing to this effect to the Company. The cost of obtaining a certificate of Fair Value shall be borne equally by the Retiring Shareholder and the purchasing shareholder(s) provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.

8.4 On determination of the Fair Value the Company shall forthwith offer the Sale Shares at Fair Value to all shareholders other than the Retiring Shareholder ('the first offer') inviting each of them to state in writing within 14 days whether he is willing to purchase and, if so, the number of Sale Shares up to the number comprised in the Sale Notice. The directors shall allocate the Sale Shares to the shareholders who have expressed their willingness to purchase in proportion as nearly as may be to the nominal amount of their existing holdings of shares in the Company. Any Sale Shares which are then unallocated shall be allocated to any shareholders who have expressed a willingness to purchase more than their due proportion, again in proportion

as nearly as may be to the nominal amount of their existing holdings of shares in the Company, but no shareholder shall be obliged to purchase more Sale Shares than he has indicated he is willing to purchase.

8.5 If the Company shall not have found purchasing shareholders in respect of all the Sale Shares then any remaining Sale Shares shall, for a period of 14 days after the expiry of the time limit specified in Article 8.4 be at the disposal of the directors who may offer any remaining Sale Shares at Fair Value to any person as they in their discretion might choose.

8.6 If the Company shall not find purchasing shareholders pursuant to Articles 8.4 or any other purchaser pursuant to Article 8.5 for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 8.7 the Retiring Shareholder shall be at liberty at any time within three months after the end of that time period to transfer any unsold Sale Shares or (in the case of a total sale condition) all of the Sale Shares to any person he may wish and at any price (not being less than the Fair Value) and on terms not materially more favourable as to timing of payment than would apply to the shareholders under the terms of this Article 8 provided that:

8.6.1 the directors may require to be satisfied that the Sale Shares are being transferred in satisfaction of a bona fide sale at Fair Value without any deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied may refuse to register the transfer; and

8.6.2 if the Sale Notice contained a total sale condition the Retiring Shareholder shall not be entitled to transfer shares under this Article 8.6 unless all the Sale Shares are transferred by him.

8.7 If the Company shall find purchasing shareholders in respect of all or (except where the Sale Notice contains a Total Sale Condition) any of the Sale Shares in accordance with this Article 8 it shall forthwith give notice to the Retiring Shareholder who shall be bound, upon payment of the appropriate consideration, to transfer the Sale Shares to the respective purchasers. Every such notice shall state the name and address of each purchaser, the number of Sale Shares to be purchased by him and the transfer shall be completed at a time and place to be appointed by the

directors, not being less than 7 nor more than 14 days from the date of the notice.

- 8.8 If the Retiring Shareholder fails to transfer any of the Sale Shares to their purchaser(s) the directors may authorise any person to execute a transfer of the Sale Shares to the purchasing shareholder and the Company may give a good receipt for the purchase price of the Sale Shares and may register the purchasing shareholder as holders of them and issue to them certificates for them. After the name of the purchaser has been entered into the register the validity of the proceedings shall not be questioned by any person. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon he shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for him but without interest. If such certificate shall comprise any share which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a certificate for the balance of such shares.

#### **DEEMED SALE NOTICE**

#### **9.**

##### **9.1 Bankruptcy**

9.1.1 Any person becoming entitled to shares in consequence of the bankruptcy of any shareholder shall give a Sale Notice (as defined in Article 8.1) before he elects in respect of any share to be registered himself or to execute a transfer.

9.1.2 If a person becoming entitled to shares pursuant to Article 9.1.1 does not give a Sale Notice within one year of the bankruptcy he shall be deemed to have given a Sale Notice on the anniversary of the bankruptcy.

##### **9.2 Cessation of employment**

If a shareholder who is either a director and/or employee of the Company ceases (for whatever reason other than by virtue of death or unfair or wrongful dismissal) to be either a director or employee of the Company he shall be deemed to have served a Sale Notice pursuant to Article 8.1 in

respect of his entire holding of shares and the provisions of Article 8 shall apply in relation to them save that a Sale Notice deemed to be given by such director or employee in the circumstances referred to in this Article shall not be capable of revocation.

#### NOTICES AND PROCEEDINGS AT GENERAL MEETINGS

10. Every notice calling a general meeting shall comply with the provisions of section 372(3) of the Act, as to giving information to shareholders in regard to their right to appoint proxies; and all notices and other communications relating to a general meeting which any shareholder is entitled to receive shall also be sent to the directors for the time being of the Company. Such notice need not be sent to the Company's auditors and Regulation 38 of Table A shall be modified accordingly.
11. No business shall be transacted at any general meeting unless a quorum is present when the meeting commences business. Two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation, shall be a quorum of which one shall be or represent a holder of any of the "A" Shares and the other shall be or represent a holder of any of the "B" Shares provided that if and for so long as the Company has only one shareholder that shareholder present in person or by proxy or if that shareholder is a corporation by a duly authorised representative shall be a quorum.
12. In regulation 44 the words "of the class of shares the holder of which appointed him as director" shall be substituted for the words "any class of shares in the Company."
13. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
14. A poll may be demanded by the Chairman or by any shareholder present in person or by proxy and entitled to vote and Regulation 46 of Table A shall be construed and amended accordingly.
15. Any corporation which is a shareholder 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 of any class of shareholders of the

Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Company.

#### VOTES OF MEMBERS

16. Subject as provided below in this Article 16 and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder; Provided that no shares of either class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

17.

- 17.1 The holder or holders of a majority in nominal value of the "A" Shares shall be entitled by notice in writing to the Company to appoint one director and by *like notice to remove such directors and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed.* Any director so appointed shall be an "A" Director.
- 17.2 The holder or holders of a majority in nominal value of the "B" Shares shall be entitled by notice in writing to the Company to appoint one director and by like notice to remove any of such directors and at any time and from time to time by like notice to appoint any other person to be a director in place of a director so removed. Any director so appointed shall be a "B" Director.
- 17.3 A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgment at the office or on delivery to a meeting of the directors or on delivery to the secretary.
- 17.4 Every director appointed pursuant to this Article shall hold office until he is either removed in manner provided by the Article or dies or vacates office pursuant to Article 25 and neither the company in general meeting nor the directors shall have power to fill any such vacancy.

- 17.5 Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine.
- 17.6 During periods when there is, for whatever reason, no "A" Director or no "B" Director:
- 17.6.1 Article 18 shall not apply; and
- 17.6.2 any matter which under these Articles requires the approval, agreement or consent of the "A" Director or the "B" Director shall not require such approval, agreement or consent.
- 17.7 No director shall be appointed otherwise than as provided in these Articles.

#### PROCEEDINGS OF DIRECTORS

18. Except during periods where there are, for whatever reason, no "A" Directors or no "B" Directors:
- 18.1 the quorum for the transaction of the business of the directors shall be two of whom one shall be an "A" Director and one a "B" Director; and
- 18.2 any committee of the directors shall include at least one "A" Director and one "B" Director and the quorum for the transaction of the business of any such committee shall be two of whom one shall be an "A" Director and one a "B" Director.
19. The chairman of any meeting of the directors or of any committee of the directors shall not be entitled to a second or casting vote. Regulation 88 shall be modified accordingly.
- 20.
- 20.1 Unless otherwise agreed in writing by an "A" Director and a "B" Director in any particular case, at least 14 clear days' notice in writing shall be given to each director of every meeting of the directors, except any absent from the United Kingdom from time to time who have (a) (in the case of a director) nominated an alternate or (b) failed to furnish the Company with an address



abroad to which such notices may be forwarded. The third sentence of regulation 88 shall not apply to the Company.

- 20.2 Regulation 111 shall be read as if the words 'except that a notice calling a meeting of the directors need not be in writing' were deleted therefrom.
- 20.3 Each such notice shall (a) be sent to the address notified from time to time by each director to the secretary (or, if there is none at that time, the chairman) as his address for the service of such notices (or if no address has been so supplied, to his last known address); (b) contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting; (c) be accompanied by any relevant papers for discussion at such meeting; and (d) if sent to an address outside the United Kingdom, be sent by courier or facsimile transmission.
- 20.4 Save as provided in Article 20.3, any such notice may be delivered personally or by first class prepaid letter and shall be deemed to have been served if by delivery when delivered and if by first class letter 48 hours after posting.
- 20.5 Except as may be agreed by an "A" Director and a "B" Director in any particular case, no business or resolution shall be transacted or passed at any meeting of the directors except as was fairly disclosed in the agenda for such meeting.
- 20.6 Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors as soon as reasonably practicable after the meeting shall have been held.
21. All or any of the members of the board of directors or any committee of the board may participate in a meeting of the board or that committee by means of conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
22. If any director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the

Company, the Company may remunerate the director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a meeting of the Board, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a director.

23. 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 subject (in the case of any security convertible into shares) to section 80 of the Act) to mortgage or charge its undertaking, property and uncalled capital and 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. 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 may vote as a director in regard to any contract, transaction or arrangement in which he is interested, or upon any matter arising thereout, and if he does so vote his vote shall be counted *and he shall be reckoned in calculating a quorum when any such contract transaction or arrangement is under consideration.*
25. The office of director shall be vacated if the director:
  - 25.1 becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - 25.2 ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
  - 25.3 in the opinion of all his co-directors becomes incapable by reason of illness, injury or mental disorder of discharging his duties as director; or
  - 25.4 resigns his office by notice in writing to the Company; or
  - 25.5 shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.
26. No person shall be or become incapable of being appointed a director by reason only of his having attained any particular age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person,

and no director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age.

27. The directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of chairman or deputy chairman or managing or joint managing or deputy or assistant managing director as the directors may decide such appointment being (subject to section 319 of the Act, if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company) if he ceases to hold the office of director from any cause ipso facto and immediately cease to hold such executive office.
28. A director holding such executive office as aforesaid for a fixed period shall not be entitled to resign as a director of the Company and Article 25.4 hereof shall be interpreted accordingly.

#### ALTERNATE DIRECTORS

29.

29.1 Any director may by writing under his hand appoint:

29.1.1 any other director, or

29.1.2 any other person who is approved by the Board as hereinafter provided to be his alternate;

and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the directors and, in the absence from the Board of the director appointing him, to attend and vote at meetings of the Board, and to exercise all the powers, rights, duties and authorities of the director appointing him: Provided always that no such appointment of a person other than a director shall be operative unless and until the approval of the Board by a majority consisting of two-thirds of the whole Board shall have been given and entered in the directors' minute book. A director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid appoint another

person in his place, and if a director shall die or cease to hold the office of director the appointment of his alternate shall thereupon cease and determine. A director acting as alternate shall have an additional vote at meetings of the Board for each director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

- 29.2 Every person acting as an alternate director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the director appointing him. The remuneration of any such alternate director shall be payable out of the remuneration payable to the director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the director appointing him.

#### SECRETARY

30. The secretary shall be appointed by the directors on such terms as they think fit and any secretary appointed may be removed by them. If at any time there is no secretary or for any reason no secretary capable of acting the directors may appoint an assistant or deputy secretary.

#### DIVIDENDS

31. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

#### PROVISION FOR EMPLOYEES

32. The Company shall exercise the power conferred upon it by section 719 of the Act only with the prior sanction of a special resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of

three-fourths in nominal value of the issued share of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of section 125 of the Act.

#### NOTICES

33. Notice served by post shall be deemed to be given at the expiration of 48 hours after the time when the envelope containing the same is posted and proof that the envelope containing the notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. The second sentence of Regulation 115 of Table A shall not apply.

#### INDEMNITY

34. Without prejudice to the provisions of Regulation 118 of Table A 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 directors, officers, or employees or auditors of the Company, or of any other company which is its holding company or parent undertaking or in which the Company or such holding company or parent undertaking or any of the predecessors of the Company or of such holding company or parent undertaking has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other 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 execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund. For the purposes of this regulation 'holding company', 'parent undertaking' and 'subsidiary undertaking' shall have the same meaning as in the Act.