

Company number 06406455

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

THIS WATER LIMITED (**Company**)

Circulation Date 11 September 2008



WE the undersigned, being the sole member of the Company for the time being, entitled to receive notice of, attend and vote at, General Meetings hereby pass the following resolutions as Special Resolutions, as if the same had been passed at a General Meeting of the Company duly convened and held

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as special resolutions (**Resolutions**)

SPECIAL RESOLUTIONS

THAT

- 1 the directors be authorised to allow Douglas Lamont, a director designate of the Company, to leave £55 99 per 'B' Ordinary Share unpaid and subject to a future call by the Company following his subscription for 2,500 'B' Ordinary Shares
- 2 the authorised share capital of the Company be increased by £150 00 to £1,150 00 by the creation of 15,000 'C' Ordinary Shares of £0 01 each
- 3 2,500 of the unissued Ordinary Shares shall convert into 2,500 'B' Ordinary Shares of £0 01 each having the rights and being subject to the restrictions attaching to them under the Articles of Association to be adopted pursuant to Resolution Number 5
- 4 the 97,500 issued Ordinary Shares (inclusive of all rights attaching thereto whether to dividends or otherwise) convert into fully paid 'A' Ordinary Shares at the rate of 1 'A' Ordinary Share for every 1 Ordinary Share each such share having the rights and being subject to the restrictions attaching to them under the Articles of Association to be adopted pursuant to Resolution Number 5

- 5 the regulations contained in the printed document annexed to this resolution
✓ be adopted as the Articles of Association of the Company in
substitution for and to the entire exclusion of the existing Articles of
Association
- 6 the Directors be generally and unconditionally authorised for the purposes of
Section 80 of the Companies Act 1985 to allot equity securities up to the full
Authorised Share Capital following the adoption of the Articles of Association
pursuant to Resolution Number 5
- 7 the Directors be empowered to allot equity securities within the meaning of
Section 94 of the Act for cash pursuant to the authority conferred by
Resolution Number 6 above as if Section 89(1) of the Act did not apply to any
such allotment Provided that this authority shall expire on the 5th anniversary
of the date hereof

AGREEMENT

Please read the notes at the end of this document before signifying your agreement
to the Resolutions

The undersigned, a person entitled to vote on the Resolutions on 11 September
2008, hereby irrevocably agrees to the Resolutions

Signed by
A duly authorised Director of
Fresh Trading Limited



DATE

11/9/08

NOTES

1 If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- **By Hand.** delivering the signed copy to Joelson Wilson & Co, 30 Portland Place, London W1B 1LZ (ref PAC/ECH/F72/41)
- **Post** returning the signed copy by post to Joelson Wilson & Co, 30 Portland Place, London W1B 1LZ (ref PAC/ECH/F72/41)
- **Fax** faxing the signed copy to Joelson Wilson & Co, 020 7580 2251(ref PAC/ECH/F72/41) (Please send hard copy by post)

If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement

3 Unless, by 17 September 2008, sufficient agreement has been received for the Resolutions to pass, they will lapse If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

THE COMPANIES ACT 1985 AND THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

THIS WATER LIMITED

PRELIMINARY

1. (A) The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 do not apply to the Company

(B) In these articles —

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force.

"the articles" means the articles of the company.

"A Share Conversion" means the conversion of a number of A Shares into Deferred Shares.

"A Shares": the 'A' Ordinary Shares of £0.01 each in the capital of the Company.

"Associate" has the meaning set out in Article 27(A).

"Board": the board of directors of the Company.

"B Share Redemption Value" has the following meanings, either.

(a) if the Redeemable Shareholder has (1) become a Leaver because of redundancy on or prior to 31 December 2008 and (2) has performed his duties during the Valid Notice Period then the B Share Redemption Value shall be equal to the Net Revenue of the Company during the Relevant Period less Company Debt ; or

(b) if the Redeemable Shareholder has (1) become a Leaver because of redundancy after 31 December 2008 but on or prior to 31 December 2009 and (2) has performed his duties during the Valid Notice Period then the B Share Redemption Value shall be equal to the Net Revenue of the Company during the Relevant Period multiplied by 1.25 less Company Debt PROVIDED that if either (i) the Net Revenue of the

Company during the Relevant Period shows an increase of less than 25% when measured against the Net Revenue for the 12 months prior to the start of the Relevant Period, or (ii) the Operating Profit during the Relevant Period is less than 5% of the Operating Profit for the 12 month period prior to the start of the Relevant Period, then the B Share Redemption Value shall be equal to the Net Revenue of the Company during the Relevant Period; or

(c) if the Redeemable Shareholder has (1) become a Leaver because of redundancy after 31 December 2009 but on or prior to 31 December 2010 and (2) has performed his duties during the Valid Notice Period then the B Share Redemption Value shall be equal to the Net Revenue of the Company during the Relevant Period multiplied by 1.5 less Company Debt PROVIDED that if either (i) the Net Revenue of the Company during the Relevant Period shows an increase of less than 25% when measured against the Net Revenue for the 12 months prior to the start of the Relevant Period, or (ii) the Operating Profit during the Relevant Period is less than 5% of the Operating Profit for the 12 month period prior to the start of the Relevant Period, then the B Share Redemption Value shall be equal to the Net Revenue of the Company during the Relevant Period; or

(d) if the Redeemable Shareholder was an employee or officer of the Company on the date of the acquisition of the B Shares and has served notice of his resignation on the Company or received notice of termination of employment from the Company then the B Share Redemption Value shall initially be equal to 200 per cent of the Net Revenue of the Company during the Expanded Relevant Period less Company Debt and if the Redeemable Shareholder has performed his duties during the Valid Notice Period and become a Leaver, then the B Share Redemption Value shall then be equal to 200% of the Net Revenue of the Company during the Relevant Period less Company Debt; or

(e) if the Redeemable Shareholder has (1) become a Leaver for any reason other than redundancy and (2) the relevant notice of cessation was given or received after 31 December 2009 but on or prior to 31 December 2010 and (3) the Redeemable Shareholder has performed his duties during the Valid Notice Period then the B Share Redemption Value shall be equal to the Net Revenue of the Company during the Relevant Period less Company Debt; or

(f) if the Redeemable Shareholder has (1) become a Leaver for any reason other than redundancy and (2) the relevant notice of cessation was given or received after 31 December 2008 but on or prior to 31 December 2009 and (3) the Redeemable Shareholder has performed his duties during the Valid Notice Period then the B Share Redemption Value shall be equal to the lower of (i) the Total Enterprise Value and (ii) the subscription price paid or payable per relevant B Share multiplied by the total number of Equity Shares in issue at that time; or

(g) if the Redeemable Shareholder has (1) become a Leaver in circumstances not falling within (a) to (f) above and (2) is a Good Leaver, then the B Share Redemption Value shall be the Total Enterprise Value; or

(h) if the Redeemable Shareholder has not become a Leaver then on or immediately prior to an Exit the B Share Redemption Value shall be the Total Enterprise Value;

(i) if the Redeemable Shareholder is not an employee or officer of the Company on the date of acquisition then the B Share Redemption Value shall be the Total Enterprise Value; or

(j) in all other circumstances the B Share Redemption Value shall be the subscription price paid or payable per relevant B Share multiplied by the total number of Equity Shares in issue at that time.

"B Shares": the 'B' Ordinary Shares of £0.01 each in the capital of the Company.

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

"communication" means the same as in the Electronic Communications Act 2000.

"Company Debt" the value of any intercompany balances plus any long term financing taken out directly by This Water Ltd, less any amounts paid out to shareholders by way of dividend or other distribution since the 1st January 2008.

"Controlling Interest": an interest or holding in shares conferring in aggregate 50% or more of the total voting rights conferred by all the Equity Shares for the time being in issue.

"C Share Conversion" means the conversion of a number of C Shares into Deferred Shares.

"C Shares": the 'C' Ordinary Share of £0.01 each in the capital of the Company.

"electronic communication" means the same as in the Electronic Communications Act 2000.

"Deferred Shares": deferred shares of £0.01 each in the capital of the Company arising following conversion of A Shares and C Shares.

"Disposal": the sale or other disposal of the whole or a substantial part of the undertaking of the Company other than to an Associate of the Company or its members.

"Dividend Restriction Period" means a period during which all dividend rights attaching to the Redeemable Shares shall be automatically waived.

"Equity Ratchet Shares": the A Shares and the B Shares.

"Equity Shares": the A Shares, the B Shares and the C Shares.

"executed" includes any mode of execution.

"Exit": a Sale, a Listing, a Disposal or a Parent Company Sale, whichever shall first occur.

"Expanded Relevant Period" means for the purposes of determining the B Share Redemption Value the period of 12 months ending on the date the Redeemable

Shareholder gave or received notice of cessation of their employment with the Company.

"Good Leaver" means a Leaver who ceased employment with the Company due to any of the following reasons:

(a) wrongful dismissal (where such Leaver is found to have been wrongfully dismissed by a final decision of court of competent jurisdiction);

(b) death;

(c) incapacity;

(d) retirement at normal retirement age;

(e) any other reason determined to be a good leaver reason by a resolution of the Board with respect to a particular Leaver such resolution to be passed by no later than the end of the relevant Leaver Determination Period.

"Gross Margin" Net Revenue less costs of goods, cost of logistics, stock wastage (raw materials & finished goods) and other costs relating to the production and validation of stock for sale.

"Group": the Company and each of its subsidiaries.

"FSMA": Financial Services and Markets Act 2000.

"the holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares.

"Leaver" means a Redeemable Shareholder who has ceased employment with the Company.

"Leaver Determination Period" means, in respect of a particular Redeemable Shareholder, the period beginning on the date that Redeemable Shareholder first becomes a Leaver and ending on the earlier of:

(a) 30 days following the date on which a valid Redemption Notice is received by the Company from the Leaver;

(b) 30 days following the date on which a valid Transfer Notice is received by the Company from the Leaver; or

(c) immediately prior to an Exit.

"Listing": the admission of any part of the Equity Share to the Official List of the UK Listing Authority or the grant of permission by the London Stock Exchange plc to deal in any of the Company's shares on the AIM Market of the London Stock Exchange or on any other recognised investment exchange (as defined by Section 285(1), FSMA) and such permission becoming effective.

"Net Revenue" total revenue less rebates, promotional discounts, credits for short deliveries, and volume related rebates in respect of the relevant period as the same would have been reported in the Company's financial statements.

"office" means the registered office of the company.

"Operating Profit" Gross Margin less all customer investments (non volume related), marketing costs, people costs (including any discretionary or Company wide bonuses and the impact of share based payments as defined in accounting standards), recharges from the Group, other operating costs (including legal fees, audit & accounting fees related to the ongoing operations of the business) and depreciation. Specifically excluding financing costs (interest receivable / payable), taxation, and any costs relating to the non-operating elements of the business.

"Parent Company": Fresh Trading Limited (CRN: 3720071).

"Parent Company Sale": means the sale or transfer of the issued equity shares in the Parent Company's share capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person holding 100% of such shares in the Parent Company's issued share capital.

"Redemption Date" means the date on which Redeemable Shares are redeemed normally being within 21 days of the date of issue of the Redemption Notice or otherwise as soon as is practical thereafter.

"Redemption Notice" means a notice in writing issued in accordance with the Articles requiring the stated number of Redeemable Shares to be redeemed at the Redemption Value prescribed by the Articles.

"Redeemable Shares" means B Shares and/or C Shares.

"Redeemable Shareholder" means the person beneficially entitled to the Redeemable Shares.

"Redemption Restriction Period" means a period during which the right of a Redeemable Shareholder to redeem their Redeemable Shares shall be automatically waived.

"Redemption Value" means the value for which each Redeemable Share shall be redeemed on any given Redemption Date.

"Relevant Period" means:

for the purposes of determining the B Share Redemption Value the period of 12 months ending on the date the Redeemable Shareholder became a Leaver; or

for the purposes of determining the Total Enterprise Value the period of 12 months ending on the date on which the value is required to be determined under the Articles.

"Sale": means either:

- (a) any transaction of whatsoever nature (including a sale, assignment, transfer or other disposal, issue of any shares in the Company or

any agreement to do the foregoing) which results in the beneficial holders of Equity Ratchet Shares in the Company immediately before any such transaction, owning either directly or through their Associates, following any such transaction, either:

- (i) no Equity Shares in the Company; or
 - (ii) owning Equity Shares in the Company carrying less than 50 per cent of the votes attached to all the Equity Shares in the Company; or
- (b) the acquisition by a Buyer (as such term is defined by Article 27(a)) of a Controlling Interest in the Company;

"Sale Value" means:

- (a) in the case of a Listing, the price per share (expressed in pounds sterling) at which the Equity Shares in the Company are proposed to be sold in connection with the Listing (in the case of an offer for sale, being the underwritten price (or if applicable, the minimum tender price) in each case multiplied by the number of Equity Shares in the Company as will be in issue immediately following the Listing (but excluding any Equity Shares issued by the Company at the time of the Listing to raise new money (for whatever purpose));
- (b) in the case of a Sale, the aggregate consideration expressed as a cash price (whether that consideration is to be satisfied in cash, shares, loan notes, or a combination thereof or otherwise, any non-cash consideration (which shall include any earn-out entitlement) being valued by the Company's auditors for the time being) paid pursuant to an agreement or an offer by the Buyer, net of all fees incurred by the sellers in respect of such Sale;
- (c) in the case of a Disposal, an amount equal to the total amount available for payment to holders as a result of the Disposal by way of dividend, dividend on liquidation or consideration payable (inclusive of any associated tax credit).
- (d) in the event of a Parent Company Sale the aggregate consideration paid pursuant to an agreement or an offer by the buyer (net of all debt and fees incurred by the sellers in respect of such Parent Company Sale) expressed as a cash price (whether that consideration is to be satisfied in cash, shares, loan notes, or a combination thereof or otherwise, any non-cash consideration (which shall include any earn-out entitlement) which the buyer either:
 - (i) pays or attributes to the Company or
 - (ii) if there is no separate payment or calculation then the "relevant percentage" of the total cash price (as above) for the entire issued share capital of the Parent Company, where such "relevant percentage" is equal to the Gross Margin contribution made by the Company to the Group's Gross Margin during the previous 12

months, being assessed and determined by the Company's auditors for the time being.

"the 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.

"Specified Date" means, in respect of a Redeemable Shareholder, the earlier of:

- (a) an Exit; or
- (b) the end of the relevant Leaver Determination Period.

"Specified Price" means the price the holder of Equity Shares is entitled to receive on transfer of their Equity Shares under the terms of a Transfer Notice.

"Total Enterprise Value" means

if on the relevant measurement date there is or was a proposed or actual Exit, the Sale Value;

otherwise, the Net Revenue for the Relevant Period less Company Debt.

Where the relevant Redeemable Shareholder was an employee or officer of the Company on the date of acquisition and is a Leaver then the measurement date shall be the first day of their Leaver Determination Period.

Where the relevant Redeemable Shareholder is not a Leaver the measurement date shall be the date on which the value is required to be determined under the Articles.

"Transfer Date" means the date by which a transfer of Equity Shares under the terms of a Transfer Notice shall be completed, such date being as soon as is reasonably practical after the date on which the relevant Transfer Notice is issued.

"Transfer Notice" means a notice in writing requiring the transfer of Equity Shares and specifying:

- (a) the person to whom the Equity Shares are to be transferred which shall at all times be subject to the provisions of the Articles dealing with Permitted Transfers and Pre-emption Rights;
- (b) the number and class of Equity Shares to be transferred;
- (c) the Specified Price; and
- (d) the Transfer Date.

"Valid Notice Period" means a period of continued employment required to be served in the particular circumstances by the Redeemable Shareholder under the terms of that Redeemable Shareholder's employment contract without breaching the terms thereof.

"Voting Restriction Period" means a period during which all voting rights attaching to the Redeemable Shares shall be automatically waived.

"the United Kingdom" means Great Britain and Northern Ireland.

"Wholly Owned Group". a body corporate and any holding company of which it is a wholly-owned subsidiary and any other wholly owned subsidiaries of that holding company (including any wholly-owned subsidiary of the body corporate)

(C) Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these articles become binding on the company. Any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these articles. Any references in these articles to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

SHARE CAPITAL

2. (A) The share capital of the Company at the date of the adoption of these articles is divided into 97,500 'A' Ordinary Shares of £0.01 each ("A Shares"), 2,500 'B' Ordinary Shares of £0.01 each ("B Shares") and 15,000 'C' Ordinary Shares of £0.01 each ("C Shares").

(B) 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.

RIGHTS ATTACHING TO SHARES

3. (A) The Equity Shares shall rank *pari passu* in respect of income, dividends and other distribution of profits, while the Deferred Shares shall have no entitlement in respect thereof. Notwithstanding the aforesaid, unless otherwise provided for by a resolution of the Board, all B Shares acquired by employees or officers of the Company will be subject to a Dividend Restriction Period beginning on the date of acquisition of the beneficial interest in the B Shares by the Redeemable Shareholder and ending on the earlier of:

- (a) immediately prior to the Specified Date; or
- (b) 1 January 2011.

Notwithstanding the aforesaid, unless otherwise provided for by a resolution of the Board, all C Shares acquired by employees or officers of the Company will be subject to a Dividend Restriction Period beginning on the date of acquisition of the beneficial interest in the C Shares by the Redeemable Shareholder and ending immediately prior to the Specified Date.

(B) The Equity Shares shall confer on their holder the right to vote, to receive notice of, attend and to speak at all general meetings of the Company, while the Deferred Shares shall not confer on their holders any such entitlements. Notwithstanding the aforesaid, unless otherwise provided for by a resolution of the

Board, all Redeemable Shares acquired by employees or officers of the Company will be subject to a Voting Restriction Period beginning on the date of acquisition of the beneficial interest in the Redeemable Shares by the Redeemable Shareholder and (in the case of C Shares) ending immediately prior to the Specified Date and (in the case of B Shares) ending immediately prior to the date on which the Redeemable Shareholder gives or receives notice of termination of his employment or office with the Company.

(C) The A Shares, the B Shares and the C Shares shall rank par passu in respect of capital. The Deferred Shares shall have no entitlement in respect of capital save for the par value paid thereon.

(D) On the earlier of:

(a) an Exit;

(b) the date on which a holder of B Shares receives notice of redundancy from the Company where the terms of such notice provide for that holder of B Shares to become a Leaver after 31 December 2008;

(c) the date on which a holder of B Shares gives or receives notice of termination of their employment with the Company where such notice is given or received after 31 December 2010; or

(d) the date of death of a holder of B Shares;

the A Share Conversion and the C Share Conversion shall automatically occur simultaneously as one transaction and shall be calculated as follows and in the following order:

A Share Conversion calculation:

For the purposes of the A Share Conversion, such fraction of the A Shares held by each holder of A Shares (if any) as equals the result of 'N1' divided by the total number of A Shares in issue, rounded up or down to the nearest whole number, shall automatically be converted into the same number of Deferred Shares.

'N1' shall be such number required to ensure that following the conversion the aggregate total of all of the B Shares in issue is the 'B Share Required Percentage' of the total Equity Ratchet Shares in issue in accordance with the following table:

Where the B Share Redemption Value as applicable on the relevant date is greater than (£million):	The Required Percentage shall be:
12	3%
14	3.5%
16	4%
18	4.5%
20	5%
22	5.5%

24	6%
26	6.5%
28	7%
30	7.5%
32	8%
34	8.5%
36	9%
38	9.5%
40	10%

C Share Conversion calculation:

For the purposes of the C Share Conversion, such fraction of the C Shares held by each holder of C Shares (if any) as equals the result of 'N2' divided by the total number of C Shares in issue, rounded up [or down] to the nearest whole number, shall automatically be converted into the same number of Deferred Shares.

'N2' shall be such number required to ensure that following the A Share and the C Share conversion the aggregate total of all of the C Shares in issue is the 'C Share Required Percentage' ("CRP") of the total Equity Shares in issue in accordance with the following formula:

$$CRP = C / (A+B+C)$$

Where

"A" is the number of A Shares in issue immediately prior to the A Share Conversion;

"B" is the number of B Shares in issue immediately prior to the A Share Conversion;
and

"C" is the number of C Shares in issue immediately prior to the A Share Conversion.

(E) A Redeemable Shareholder shall, subject to application of the Redemption Restriction Period, be entitled to redeem their B Shares at any time by issuing a Redemption Notice to the Company, such redemption to occur on the Redemption Date, and the Redemption Value ("RV") per B Share being redeemed shall be calculated in accordance with the following formula.

$$RV = BRV / ES$$

Where:

BRV is the B Share Redemption Value on the Redemption Date; and

ES is the aggregate total of all of the Equity Shares in issue at the Redemption Date.

(F) A Redeemable Shareholder shall, subject to application of the Redemption Restriction Period, be entitled to redeem their C Shares at any time by issuing a Redemption Notice to the Company, such redemption to occur on the

Redemption Date, and the Redemption Value ("RV") per C Share being redeemed shall be calculated in accordance with the following formula:

$$RV = TEV / ES$$

Where:

TEV is the Total Enterprise Value of the Company on the Redemption Date; and

ES is the aggregate total of all of the Equity Shares in issue at the Redemption Date.

(G) The Company shall be entitled to redeem all or part of a Redeemable Shareholders B Shares by issuing a Redemption Notice to the Redeemable Shareholder in the following circumstances:

(i) during a relevant Leaver Determination Period; and

(ii) immediately prior to and following a Specified Date;

and in both cases such Redemption shall occur on the Redemption Date for a Redemption Value equal to the value that the Redeemable Shareholder would be entitled to receive had they issued a Redemption Notice in respect of the same B Shares at that time.

The Company may issue a Redemption Notice to the Redeemable Shareholder within 30 days of the receipt from that Redeemable Shareholder of a Redemption Notice or Transfer Notice and such Company Redemption Notice shall take priority over the Redeemable Shareholder Redemption Notice or Transfer Notice.

(H) The Company shall be entitled to redeem all or part of a Redeemable Shareholders C Shares by issuing a Redemption Notice to the Redeemable Shareholder in the following circumstances:

(i) if the Redeemable Shareholder is a Leaver but is not a Good Leaver, the Redemption Notice may be issued during the relevant Leaver Determination Period and the Redemption Value per C Share shall be equal to the lower of (i) the subscription price paid by the Redeemable Shareholder to acquire the relevant C Shares and (ii) the value that the Redeemable Shareholder would be entitled to receive per C Share had they issued a Redemption Notice in respect of those C Shares at that time; or

(ii) if the Redeemable Shareholder is a Good Leaver, then the Redemption Notice may be issued during the relevant Leaver Determination Period and the Redemption Value per C Share shall equal the value that the Redeemable Shareholder would be entitled to receive per C Share had they issued a Redemption Notice in respect of those C Shares at that time; or

(iii) after the end of the relevant Leaver Determination Period, the Redemption Notice may be issued at any time for a Redemption Value equal to the value that the Redeemable Shareholder would be entitled to receive per C Share had they issued a Redemption Notice in respect of those C Shares at that time;

and in all cases such Redemption shall occur on the Redemption Date.

The Company may issue a Redemption Notice to the Redeemable Shareholder within 30 days of the receipt from that Redeemable Shareholder of a Redemption Notice or Transfer Notice and such Company Redemption Notice shall take priority over the Redeemable Shareholder Redemption Notice or Transfer Notice.

(I) The holder or holders of the majority of A Shares in issue shall, subject to the other provisions of the Articles, be required to take all action necessary to ensure that on receipt of a valid Redemption Notice from a Redeemable Shareholder the Company is able to complete the redemption on the Redemption Date. Any such action taken shall be ignored completely for the purposes of determining "TEV", "BRV" and "ES" when calculating the applicable Redemption Value.

(J) Unless otherwise provided for by a resolution of the Board, all C Shares acquired by employees or officers of the Company shall be subject to a Redemption Restriction Period beginning on the date of acquisition of the beneficial interest in the Redeemable Shares by the Redeemable Shareholder and ending on the earlier of:

- (i) immediately prior to the Specified Date, and
- (ii) 90 days following the date on which the Relevant Redeemable Shareholder first becomes a Leaver.

(K) Unless otherwise provided for by a resolution of the Board, all B Shares acquired by employees or officers of the Company shall be subject to a Redemption Restriction Period as follows:

(i) In respect of half of the total number of B Shares held by that Redeemable Shareholder, the Redemption Restriction Period shall begin on the date of acquisition of the beneficial interest in the Redeemable Shares by the Redeemable Shareholder and shall end on the earlier of:

- (a) immediately prior to the Specified Date;
- (b) 90 days following the date on which the Relevant Redeemable Shareholder first becomes a Leaver; and
- (c) the date on which the Redeemable Shareholder gives or receives notice of cessation of their employment with the Company PROVIDED that such date falls on or after 1 January 2011.

(ii) In respect of the other half of the total number of B Shares held by that Redeemable Shareholder, the Redemption Restriction Period shall begin on the date of acquisition of the beneficial interest in the Redeemable Shares by the Redeemable Shareholder and shall end on the earlier of:

- (a) immediately prior to the Specified Date;
- (b) 90 days following the date on which the Relevant Redeemable Shareholder first becomes a Leaver; and
- (c) the date the Redeemable Shareholder first becomes a Leaver PROVIDED that such date falls on or after 1 January 2011.

4. (A) Subject to Sub-Article (B) hereof, all Shares shall be under the control of the Directors and the Directors may allot, grant options over, or otherwise deal with or dispose of the same to such persons and generally on such terms and in such manner as they think fit.

(B) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act to allot relevant securities (as defined in Section 80 of the Act) provided that the aggregate nominal value of such securities allotted pursuant to this authority shall not exceed the amount of the authorised share capital of the Company on the date of adoption of these articles; and that this authority shall expire on the fifth anniversary of the adoption of the articles unless varied or revoked or renewed by the Company in General Meeting.

(C) The Directors shall be entitled under the authority conferred by this Article to make at any time before the expiry of such authority any offer or agreement which will or may require relevant securities to be allotted after the expiry of such authority.

(D) In accordance with Section 91 of the Act, Section 89(1) and Section 90(1) to (6) of the Act shall not apply to any allotment of equity securities (as defined in Section 94 of the Act) by the Company.

(E) Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles.

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.

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 thereof in the holder.

SHARE CERTIFICATES

7. (A) Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

(B) If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the

expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

8. 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 whether solely or as one of two or more joint holders for all moneys presently payable by him or his estate to the company; 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 on a share shall extend to any dividend or other amount payable in respect of it.

9. The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

10. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

15. 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.

16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.

17. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

18. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

19. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.

21. 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.

22. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good

title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

23. Permitted transfers

- (A) A corporate holder may at any time transfer shares to another member of its Wholly-owned Group;
- (B) Any holder (or the legal personal representatives of a deceased holder) may at any time transfer the legal and/or beneficial interest Equity Shares to the trustees of the EBT and the trustees of the EBT may transfer any of the legal and/or beneficial interest Equity Shares:
 - (i) upon change of trustees, to the new or remaining trustee or trustees for the time being of the EBT; and
 - (ii) with the written consent of the Parent Company, to any bona fide employees of the Company or any other Group Company on their becoming entitled to the same under the terms of the EBT.
- (C) Shares may be transferred to a Buyer pursuant to the provisions of Article 27 provided that prior to or contemporaneously with such transfer the Buyer has duly acquired or will duly acquire a Controlling Interest and the provisions of Article 27 have been complied with.
- (D) No Manager or Employee Shareholder shall transfer, mortgage, pledge or otherwise dispose of any Equity Shares to any other person without first obtaining the written consent of the Parent Company other than in accordance with these Articles.

If any of the Manager or Employee Shareholders shall purport to deal with any of their Equity Shares or any legal or beneficial interest therein in contravention of the provisions of this Article 23, he shall automatically be deemed to have given a Transfer Notice in respect of their entire holding of Equity Shares to be sold at the par value of such shares. Such Transfer Notice shall be irrevocable.

24. Pre-emption procedure

- (A) Except as provided in Articles 23, 26, 27 or 28 no member, or person entitled to Equity Shares by transmission, shall be entitled to transfer his Equity Shares without first offering them for transfer to the holders of the other Equity Shares (whether or not of the same class). The offer may be in respect of all or part only of the Equity Shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company ("**a Pre-emption Transfer Notice**").
- (B) The Transfer Notice shall specify the Equity Shares offered ("**the Offered Shares**"), the price at which they are offered ("**the Pre-emption**").

Specified Price”), the price offered in respect of the Offered Shares by a third party from whom the proposed transfer has received a bona fide offer the identity of such third party. The Pre-emption Transfer Notice shall constitute the Directors as the agent of the proposing transferor for the sale of the Offered Shares to other holders of shares whether or not of the same class at the Pre-emption Specified Price. The Pre-emption Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold and that provision shall have effect. The Pre-emption Transfer Notice may not be revoked unless the Directors unanimously agree otherwise.

- (C) On receipt by the Company of the Pre-emption Transfer Notice the Directors shall as soon as practicable give notice to all the holders of Equity Shares (other than the proposing transferor and any other person who has given or been deemed to have given a Pre-emption Transfer Notice which remains outstanding) of the number and description of the Offered Shares and the Pre-emption Specified Price. The notice shall invite each of the members to state in writing to the Company within 30 days whether he is willing to purchase any, and if so what maximum number (**“Maximum”**), of the Offered Shares. The Directors shall at the same time give a copy of the notice to the proposing transferor.
- (D) On the expiration of the 30 day period the Directors shall allocate the Offered Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:
 - (i) if the Offered Shares are B Shares or C Shares they shall be allocated in the following order amongst Purchasers:
 - (i) first to any trust established for the benefit of employees of the Group or the Company (if any); and
 - (ii) secondly to the remaining holders of the Equity Ratchet Shares in proportion to their relative shareholdings (if any).
 - (ii) each allocation between the holders of any class shall in the case of competition be made pro rata to the number of shares of that class held by him but shall not exceed the Maximum which such holder shall have expressed a willingness to purchase;
 - (iii) Offered Shares shall only be allocated to Purchasers who are the holders of a class of share different from the Offered Shares to the extent that any remain unallocated after satisfaction of the Maximum of holders of the class(es) of shares entitled to a prior allocation; and
- (E) if the Pre-emption Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.
- (F) On the allocation being made, the Directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the seventh day after such details are given, the Purchaser to whom the

allocation has not been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchaser price, to transfer the Offered Shares to the respective purchasers to whom the allocation has been made.

- (G) If the proposing transferor after becoming bound to transfer Offered Shares fails to do so, the Company may receive the purchase price and the Directors may appoint a person to execute the instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the Register as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the Register under this provision, the validity of the transactions shall not be questioned by any person.
- (H) If, following the expiry of the 30 day period referred to in Article 24(d), any of the Offered Shares have not been allocated under that Article, the proposing transferor may (subject to the provisions of Article 25) at any time within a period of 90 days after the expiry of the 30 day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Pre-emption Specified Price) provided that:
 - (i) Parent Company Consent has been obtained;
 - (ii) if the Pre-emption Transfer Notice contained a provision that, unless the Offered Shares are sold under this Article, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred; and
 - (iii) the Directors may require to be satisfied that those shares are being transferred under a bona fide sale for the consideration stated in the transfer notice without any deduction, rebate or allowance to the Purchaser and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the Directors' absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in Article 25).

25. Registration of transfers

- (A) The Directors shall refuse to register a proposed transfer not made under or permitted by Articles 23, 24, 25, 26, 27 or 28.
- (B) The Directors may also refuse to register a transfer of a Share on which the Company has a lien.
- (C) A person executing an instrument of transfer of a Share is deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect of it.

26. Compulsory transfers

- (A) The Board shall have the right to issue a Transfer Notice to any Leaver in respect of all or part of their Redeemable Shares during the relevant Leaver Determination Period and the Specified Price shall be the Redemption Value that the Redeemable Shareholder would be entitled to receive had the Company issued a Redemption Notice in respect of those Redeemable Shares at that time.

For the avoidance of doubt, the Company may issue a Transfer Notice to the Redeemable Shareholder within 30 days of the receipt from that Redeemable Shareholder of a Redemption Notice or Transfer Notice and such Company Transfer Notice shall take priority over the Redeemable Shareholder Redemption Notice or Transfer Notice.

- (B) A Redeemable Shareholder shall have the right to issue a Transfer Notice to the Company in respect of Redeemable Shares at any time so long as a Redemption Restriction Period does not apply at that time in respect of the relevant Redeemable Shares and the Specified Price shall be the Redemption Value that the Redeemable Shareholder would be entitled to receive had the Company issued a Redemption Notice in respect of those Redeemable Shares at that time.
- (C) Unless otherwise provided for by a resolution of the Board, no Redeemable Shareholder who was an employee or officer of the Company at the date of acquisition of the relevant Redeemable Shares shall be entitled to issue a Transfer Notice in respect of their Redeemable Shares other than in the circumstances outlined above.
- (D) All Transfer Notices issued by the Company prior to the relevant Redemption Date shall take priority over any Redemption Notice.

All Redemption Notices and Transfer Notices issued by the Company prior to the Redemption date or completion of a Transfer shall take priority over any Redemption Notices and Transfer Notices issued by the Redeemable Shareholder.

27. Tag and Drag Along Rights

- (A) For the purposes of this Article.
- (i) the expression "**Buyer**" means any one person not being an Associate of the Parent Company;
 - (ii) the expression "**acquire**" means to be or become the legal or beneficial owner of Shares (or the right to exercise the votes attaching to Shares), whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether or not all at one time or not;
 - (iii) the expression "**Associate**" means:

- (1) any nominee or bare trustee for the relevant person or any other Associate of the relevant person;
 - (2) if the relevant person is a company, any holding company of the relevant person and/or any member of its Wholly-owned Group;
 - (3) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected failing to be determined for this purpose in accordance with the provisions of section 839 Income and Corporation Taxes Act 1988; and
 - (4) any person with whom the relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Take-overs and Mergers as for the relevant time being current).
- (B) Notwithstanding anything to the contrary contained in these Articles, save with Parent Company Consent, no Buyer shall be entitled or permitted to acquire, and no person shall transfer any Equity Shares (or any interest therein) if, as a result, a Buyer (any Equity Shares or any interest in any Shares held by an Associate of the Buyer being treated as being held by the Buyer for this purpose) would acquire a Controlling Interest in the Company (otherwise than pursuant to a Permitted Transfer) unless and until the Buyer has first made offers, in accordance with Articles 27(C) and 27(D) to all the holders of all Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them their entire holdings of Shares in the capital of the Company.
- (C) Each such offer as is referred to in Article 27(B) (an **"Offer"**) must, in respect of each class of the Company's share capital, provide for the consideration per share to be not less than the highest consideration given or agreed to be given by the Buyer for any class of share during the period when the Offer remains open for acceptance or within 6 months prior to its commencement (the **"relevant period"**). For these purposes, **"highest consideration"** means:
- (i) if only cash is offered under the Offer, or if the Buyer has acquired any shares of that class for cash in the relevant period, the highest amount of cash per share thus offered or paid;
 - (ii) if, in the absence of this Article, a non-cash consideration with a cash alternative would be offered under the Offer, or if the Buyer has acquired any shares of that class for cash in the relevant period, the highest amount of cash per share this offered or paid;
 - (iii) if, in the absence of this Article, a non-cash consideration with no cash alternative would be offered under the Offer, but the Buyer has acquired any shares of that class for cash in the relevant period, the highest amount of cash per share thus paid; and

- (iv) if, in the absence of this Article, a non-cash consideration with no cash alternative would be offered under the Offer, and the Buyer has not acquired any shares of that class for cash in the relevant period, the highest non-cash consideration per share thus offered.
 - (D) In addition, any Offer must be made in writing, must be open for acceptance and irrevocable for a period of not less than 2 and not more than 7 days.
 - (E) If within 7 days of the making of an Offer, the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made to the extent that the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has made further Offers.
 - (F) If a Buyer receives (within the period of 7 days referred to in Article 27(E)) acceptances of an Offer which will result in the Buyer together with his Associates owning not less than 75 per cent of all the Equity Shares, then the Buyer shall be entitled to give written notice to those Members who have not accepted the Offer requiring them to do so, and each of such non-accepting Members shall upon receiving such notice:
 - (i) be deemed to have accepted the same in respect of all Equity Shares held by him in accordance with the terms of the Offer; and
 - (ii) become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same.
 - (G) If any such non-accepting Member as is referred to in Article 27(F) shall not, within 2 days of becoming required to do so, execute transfers in respect of the Shares held by such Member, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer(s) and the Company may receive the purchase money in trust for him and (notwithstanding (if such is the case) that he has failed to deliver up the relevant share certificate(s)) shall (subject to so receiving the purchase money) deliver such transfer(s) to the Buyer (or its agents) and cause the Buyer (or its nominees) to be registered as the holder(s) of such Shares. The transfer(s) and the receipt of the Company for the purchase money shall constitute a good title to the Shares and the receipt shall be a good discharge to the Buyer, who shall not be bound to see to the application of the purchase money and whose title to the Shares shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal under this article.
- 28(A) If a proposed bona fide transferee ("Transferee") of shares in the issued share capital of the Parent Company receives acceptances to its arm's length offers made to all members of the Parent Company, which acceptances will result in a Parent Company Sale, then the Parent Company shall be entitled to serve written notice upon each of the holders of Equity Shares other than the Parent Company requiring them to either:
- (i) transfer their Equity Shares to the Transferee; or
 - (ii) exchange their Equity Shares for shares in the Parent Company and thereafter immediately sell such shares to the Transferee.

- (B) The price per Equity Share shall be based on the Sale Value as set out under sub-paragraph (d) of that definition and in the event of an exchange pursuant to 28(A)(ii) the number of Parent Company Shares to be exchanged for Equity Shares shall be determined by the Company's auditors and based on the same Sale Value definition.

TRANSMISSION OF SHARES

29. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

30. A person entitled to an Equity Share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Board so to do, to give a Transfer Notice in respect of such Share, and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of that share. The provisions of Article 24 shall apply to the share and the Transfer Notice; the Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on the Board required the Transfer Notice to be given and the Specified Price shall be the Fair Price as at the date on which the Transfer Notice is either actually given or deemed to have been received by the Company and the Directors shall give notice under Article 24(c) as soon as the Specified Price is ascertained.

31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder 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 holders of any class of shares in the company.

ALTERATION OF SHARE CAPITAL

32. 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.

33. 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.

34. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

35. Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

36. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting any director or any member of the company may call a general meeting.

NOTICE OF GENERAL MEETINGS

37. General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the shares giving that right.

38. The notice of a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted. 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 persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

39. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

40. No business shall be transacted at any meeting unless a quorum is present. Unless the company has only one member, 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 a corporation, shall be a quorum.

41. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine 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.

42. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

43. If no director is willing to act as chairman, or if no director is present within fifteen 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.

44. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company.

45. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

46. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded—

(a) by the chairman; or

(b) by at least two members having the right to vote at the meeting; or

(c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

47. 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.

48. 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.

49. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll.

50. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded.

52. 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.

53. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

54. 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 or by proxy, unless the proxy (in either case) or the representative is 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.

55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.

56. 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.

57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

58. 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.

59. 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.

60. The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)—

" .Limited

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

Signed on..... ..20 ."

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

" Limited

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

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

Resolution No 1 *for *against

Resolution No 2 *for *against.

*Strike out whichever is not desired.

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

Signed this day of20 ."

62 The appointment of 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) in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications -

(i) in the notice convening the meeting, or

(ii) in any instrument of proxy sent out by the company in relation to the meeting, or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

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

(d) 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 appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this article and in article 63 "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

63. 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 or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER OF DIRECTORS

64. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum. If and for so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these Articles.

ALTERNATE DIRECTORS

65 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

66. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and 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. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

67. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

68. 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.

69. 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.

POWERS OF DIRECTORS

70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this 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.

71. Without prejudice to the generality of article 70, the directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

72. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

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

APPOINTMENT AND RETIREMENT OF DIRECTORS

74. No person shall be appointed a director at any general meeting unless—

(a) he is recommended by the directors; or

(b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.

75. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment as a director. The notice shall give the particulars of that person which would, if he were so appointed, be required to be included in the company's register of directors.

76. The company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

77. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

78. 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 is, or may be, suffering from mental disorder and either—
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; 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 the directors resolve that his office be vacated.
- (f) the Parent Company serves notice upon the Company and the director requiring such directors' office to be vacated either with immediate effect or after such period as is specified in the notice.

REMUNERATION OF DIRECTORS

79. The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

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

DIRECTORS' APPOINTMENTS AND INTERESTS

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

82. Any appointment of a director to an executive office under article 81 shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company.

83. 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.

84. For the purposes of article 83—

(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.

DIRECTORS' GRATUITIES AND PENSIONS

85. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

86. 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.

87. It shall not be necessary to give notice of a meeting of the directors to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

88. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three (subject to the provisions of article 64). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

89. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, (subject to the provisions of article 64) if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

90. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

91. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

92. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

93. Without prejudice to the first sentence of article 86, a meeting of the directors or of a committee of the directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others simultaneously.

94. A director taking part in a conference as described in article 93 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 in the conference is assembled, or, if

there is no such group, where the chairman of the meeting then is. The word "meeting" in these articles shall be construed accordingly.

95. A director may vote as a director on any resolution concerning any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.

96. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

97. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

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

MINUTES

99. 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 at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

100. 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 it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

101. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

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

the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

103. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

104. 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 the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

105. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and 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 holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

106. 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.

107. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

ACCOUNTS

108. 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.

CAPITALISATION OF PROFITS

109. The directors may with the authority of an ordinary resolution of the company—

(a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve;

- (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 that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) 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
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

110. Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this article, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

111. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address but otherwise no such member shall be entitled to receive any notice from the company.

112. A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

113. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

114. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a

notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent. The provisions of section 1147(5) of the Companies Act 2006 (concerning any day that is not a working day) shall not be applicable to any documents or information supplied by the company to its members.

115. 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, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

116. If the company is wound up, the liquidator may, with the sanction of a special 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.

INDEMNITY AND INSURANCE

117. A relevant director may be indemnified out of the company's assets against any liability (other than a liability to the company or an associated company) which that director incurs in connection with—

- (a) civil proceedings in relation to the company or an associated company (other than a liability incurred in defending proceedings brought by the company or an associated company in which final judgment is given against the directors),
- (b) criminal proceedings in relation to the company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the director is convicted and the conviction is final),
- (c) regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)),
- (d) any application for relief—
 - (i) under section 144(3) or (4) of the Companies Act 1985 (power of court to grant relief in case of acquisition of shares by innocent nominee), or
 - (ii) section 727 of that Act (general power of court to grant relief in case of honest and reasonable conduct),

unless the court refuses to grant the director relief, and the refusal of relief is final, or

- (e) civil proceedings in relation to an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006) of which the company is a trustee in respect of liability incurred in connection with the company's activities as a trustee of the scheme (other than a fine imposed in criminal proceedings, a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising) or a liability incurred in defending proceedings in which the director is convicted and the conviction is final).

For the purposes of this article:

a judgment, conviction or refusal of relief becomes final—

- (a) if not appealed against, at the end of the period for bringing an appeal, or
- (b) if appealed against, at the time when the appeal (or any further appeal) is disposed of;

an appeal is disposed of—

- (a) if it is determined and the period for bringing any further appeal has ended, or
- (b) if it is abandoned or otherwise ceases to have effect;

companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

a "relevant director" means any director or former director of the company.

118. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

In this article—

- (a) a "relevant officer" means any director or former director of the company, any other officer or employee or former officer or employee of the company (but not its auditors) or any trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act) for the purposes of an employees' share scheme of the company, and
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company (within the meaning of article 117) or any pension fund or employees' share scheme of the company.

SINGLE-MEMBER COMPANY

119. If, and for so long as, the company has only one member, the following provisions shall apply-

- (a) one person entitled to vote upon the business to be transacted, being the sole member of the Company or a proxy for that member or (if such member is a corporation) a duly authorised representative of such member, shall be a quorum and article 40 shall be modified accordingly and article 41 shall not have effect;
- (b) the sole member of the company (or the proxy or authorised representative of the sole member representing that member at the relative general meeting) shall be the chairman of any general meeting of the Company and article 42 shall be modified accordingly);

- (c) a proxy for the sole member of the Company may vote on a show of hands and article 54 shall be modified accordingly; and
- (d) all other provisions of these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company which has only one member.