

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

**Adopted by resolution passed on 16<sup>th</sup> May 2002**

**of**

**Aitken Campbell & Company Limited (Company Number: SC 97757)**

**PRELIMINARY**

**1 Table A amended**

The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended) on the date of the adoption of these Articles shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to regulations are to regulations in the said Table A unless otherwise stated.

**2 Interpretation**

In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

<b>"Act"</b>	The Companies Act 1985 as amended.
<b>"A Directors"</b>	means a director appointed by the A Shareholder in accordance with these articles of association and <b>"A Directors"</b> shall be construed accordingly.
<b>"Articles"</b>	These Articles of Association as from time to time altered.
<b>"A Shareholder"</b>	means the holder from time to time of the A shares issued by TDWSCH Holding Company Limited.
<b>"B Directors"</b>	means a director appointed by the B Shareholder in accordance with these articles of association and <b>"B Directors"</b> shall be construed accordingly.
<b>"B Shareholder"</b>	means the holder from time to time of the B shares issued by TDWSCH Holding Company Limited.
<b>"Business Day"</b>	means a day that is not a Saturday or Sunday or a bank or public holiday in England.
<b>"Chairman"</b>	means the Chairman of the Company or, in the event there are Co-Chairmen either or both of the Co-chairman as appropriate.
<b>"Directors"</b>	means the A Director, and the B Director, and the Other Directors, and <b>"Director"</b> means any one of them.
<b>"Office"</b>	The registered office of the Company for the time being.



<b>"Other Directors"</b>	means all directors of the Company other than those appointed as an A Director or a B Director and <b>"Other Directors"</b> shall be construed accordingly.
<b>"Register"</b>	The register of members of the Company.
the <b>"Seal"</b>	The Common Seal of the Company
<b>"United Kingdom"</b>	Great Britain and Northern Ireland.

The expression **"shareholders' meeting"** shall include both a general meeting and a meeting of the holders of any class of shares of the Company.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

*References 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 (whether coming into force before or after the adoption of these Articles/incorporation of the Company). Subject to this any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.*

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

### **3 Share Capital**

The share capital of the Company at the date of the adoption of these Articles is £5,117,500 divided into 51,175,000 Ordinary Shares of £0.10 each.

### **4 Issue of shares**

Subject to Section 80 of the Act and these Articles, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper and Section 89 of the Act shall not apply.

### **5 Allotment**

*Pursuant to and in accordance with Section 80 of the Act, the Directors shall be generally and unconditionally authorised to exercise during the period of five years from the date of adoption of these Articles all the powers of the Company to allot relevant securities up to the amount of the share capital authorised but unissued at the date of adoption of these Articles; and by such authority the Directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of such period.*

### **6 Pre-Emption Rights**

Section 89(1) of the Act shall not apply to the allotment by the Company of equity securities.

**7 Other**

Words and expressions defined in or for the purposes of the said Section 80 or the said Section 89 shall bear the same meanings in this Article.

**GENERAL MEETINGS**

**8 Annual and Extraordinary General Meetings**

An annual general meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors. All other general meetings shall be called extraordinary general meetings.

**9 Convening of General Meetings**

The Directors may whenever they think fit, and shall on requisition of the members in accordance with the Act, proceed to convene an extraordinary general meeting for a date not later than 28 days after receipt of the requisition. If insufficient Directors are within the United Kingdom to call a general meeting, any Director or Member may call a general meeting.

**NOTICE OF GENERAL MEETINGS**

**10 Notice of General Meetings**

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or a resolution appointing a person as a Director or (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' written notice and any other extraordinary general meeting by at least 14 clear days' written notice. The notice shall be given to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company but a general meeting may be called by a shorter notice if it is so agreed:

- 10.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- 10.2 in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

**11 Contents of notice of General Meetings**

Every notice calling a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted at the meeting; and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect. In the case of an annual general meeting, the notice shall also specify the meeting as such.

## PROCEEDINGS AT GENERAL MEETINGS

### 12 Chairman

The Chairman or Co-Chairmen, as the case may be, shall preside as Chairman or Co-Chairmen at a general meeting. If the Chairman or, if relevant, either Co-Chairman is not present at any general meeting the Directors may appoint any one of their member to act as *Chairman or Co-Chairmen for the purpose of the meeting*. The Chairman or Co-Chairmen, as the case may be, will not be entitled to a second or casting vote.

### 13 Quorum

Subject to these Articles, the quorum at any general meeting shall be two or more members present in person or by proxy. No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present.

### 14 Lack of quorum

If within an hour from the time appointed for a general meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to the same day 14 days later at the same time and place. If at any adjourned meeting such a quorum is not present within half an hour from the time appointed for the adjourned meeting the meeting shall be dissolved except that if a meeting to consider a resolution or resolutions for the winding-up of the Company and the appointment of a liquidator be adjourned for want of a quorum and if at such adjourned meeting such a quorum is not present within five minutes from the time appointed for the adjourned meeting, any one or more members present in person or by proxy shall constitute a quorum for the purposes of considering and if thought fit passing such resolution or resolutions but no other business may be transacted.

### 15 Adjournment

The Chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, at least seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. In all other cases, it shall not be necessary to give any notice of an *adjournment or of the business to be transacted at an adjourned meeting*.

## POLLS

### 16 Demand for poll

16.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by:

- (a) the chairman of the meeting; or
- (b) any member present in person or by proxy and entitled to vote.

- 16.2** A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made. The Chairman shall not have a casting vote in the event of equality of votes, whether on a show of hands or on a poll.

**17 Procedure on a poll**

A poll shall be taken in such manner as the chairman may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may appoint scrutineers (who need not be members) and fix a place and time for the purpose of declaring the result of the poll.

**18 Voting on a poll**

On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

**19 Timing of poll**

A poll demanded on the choice of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately and in all other cases seven days notice specifying the time and place at which the poll is to be taken. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

**20 Written resolutions**

A written resolution signed by or on behalf of each member who would have been entitled to vote upon it had it been proposed at a general meeting or meeting of any class of members at which he was present shall be as valid and effectual as a resolution duly passed at a general meeting duly convened and held and may consist of several documents in the like form each signed by one or more members. In the case of a corporation a written resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative.

## **VOTES OF MEMBERS**

**21 Votes attaching to shares**

On a show of hands every member who is present in person shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder; Provided that (i) no shares of a particular class shall confer any right to vote upon a resolution for the removal from office of a Director appointed or deemed to have been appointed by holders of shares of the other class, and (ii) if at any meeting any holder of shares is not present in person or by proxy the votes exercisable on a poll in respect of the shares of the same class held by members present in person or by proxy shall be *pro tanto* increased (fractions of a vote by any member being permitted) so that such shares shall

together entitle such members to the same aggregate number of votes as could be cast in respect of all the shares of that class if all the holders thereof were present.

## **22 Votes of joint holders**

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

## **23 Restriction on voting in particular circumstances**

No member shall (unless the Directors otherwise determine) be entitled in respect of any share held by him to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

## **24 Voting by guardian**

Where in England or elsewhere a guardian, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such guardian, receiver or other person on behalf of such member to vote in person or by proxy at any shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings.

## **25 Validity and result of vote**

**25.1** No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

**25.2** Unless a poll is taken a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

## **PROXIES AND CORPORATE REPRESENTATIVES**

## **26 Proxy need not be a member**

A proxy need not be a member of the Company.

## **27 Form of proxy**

An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

- (a) in the case of an individual shall be signed by the appointor or his attorney; and
- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a *duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 58, failing which the instrument may be treated as invalid.*

## **28 Rights of proxy**

An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting. The deposit of an instrument of proxy shall not preclude a member from attending and voting at a meeting or at any adjournment of a meeting.

## **29 Revocation of proxy**

A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the member or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless written notice of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## **30 Deposit of form of proxy**

An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must either:

- 30.1 be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used; or
- 30.2 be delivered to the secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

## **31 Corporations acting by representatives**

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any

shareholders' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **DIRECTORS**

### **32 Directors**

The number of directors shall not be subject to any maximum. The minimum number of directors shall be two of whom one must be an A Director and one a B Director. The Directors shall be appointed in accordance with Article 37.

### **33 Share qualification**

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings and at any separate meeting of the holder of any class of shares in the Company the holders of which appointed him as Director.

### **34 Directors' remuneration**

Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

### **35 Directors' expenses**

The Directors may be paid all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders' meetings or otherwise in connection with the business of the Company.

### **36 Directors' pensions and other benefits**

The Directors shall have power to pay and agree to pay benefits, gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

## **APPOINTMENT AND REMOVAL OF DIRECTORS**

### **37 Appointment of Directors**

**37.1** The A Shareholder may from time to time appoint 1 person to be a Director, and this Director shall be called the 'A' Director. Further A Directors may only be appointed with the prior agreement of the members.

**37.2** The B Shareholder may from time to time appoint 1 person to be a Director and this Director shall be called the 'B' Director. Further B Directors may only be appointed with the prior agreement of the members.



**37.3** The Company may appoint further persons to be Directors.

### **38 Notice**

Not less than seven nor more than 28 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 or the A Shareholders or the B Shareholders 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 appointed, be required to be included in the Company's register of Directors. No Director shall be appointed otherwise than as provided in these Articles.

### **39 Vacation of office**

**39.1** The office of a Director shall be vacated in any of the following events, namely:

- (a) if he shall resign by notice to the Company;
- (b) if he shall become prohibited by law from acting as a Director;
- (c) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (e) if he shall be absent from meetings of the Directors for six consecutive months without leave and the Directors shall resolve that his office be vacated; or
- (f) if he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland under the Mental Health (Scotland) Act 1960.

**39.2** The Directors shall not be subject to retirement by rotation.

**39.3** Any provision of the Act which, subject to the provisions of the Articles, would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

## **MEETINGS AND PROCEEDINGS OF DIRECTORS**

### **40 Convening of meetings of Directors**

The Directors shall meet together at least four times a year and at no more than four monthly intervals.

#### **41 Notice of Directors' meetings**

**41.1** Unless otherwise agreed by both the 'A' Director and 'B' Director (or by a majority of both 'A' Directors and 'B' Directors in circumstances when there are more than one of each) in any particular case, or in exceptional circumstances, at least 5 Business Days' written notice shall be given to each Director of every meeting of the Directors.

**41.2** Each notice of meeting shall:

- (i) specify a reasonably detailed agenda;
- (ii) be accompanied by any relevant papers; and
- (iii) be sent by courier or fax transmission if sent to an address outside the United Kingdom.

#### **42 Quorum**

The quorum at a Board meeting shall be at least one A Director and one B Director. If a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present, the Director(s) present shall adjourn the meeting to a specified place and time five Business Days after the original date. The secretary of the Group Company shall give notice of the adjourned meeting.

#### **43 Voting**

At any Board meeting of the Company each director shall have one vote but no motion or proposal of any type shall be passed without the approval of all the A Directors and all the B Directors. The Chairman shall not be entitled to a second or casting vote.

#### **44 Deadlock**

If the Board of the Company cannot reach agreement on any resolution before it within 10 Business Days of such resolution first being tabled at such Board meeting or three or more consecutive such Board meetings have been dissolved because a quorum is not present, the subject of any such resolution shall be referred immediately to TDWSCH Holding Company Limited. TDWSCH Holding Company Limited shall resolve the matter within 30 days of it being referred to them and notify the Company of their decision.

#### **45 Telephone board meetings**

The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

#### **46 Number of Directors below minimum**

The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of summoning

general meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

#### **47 Written resolutions**

A written resolution signed by all the Directors entitled to vote thereon (being not less in number than a quorum for meetings of the Directors) shall be as valid and effectual as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors.

#### **48 Validity of proceedings**

All acts done by any meeting of Directors, or of any committee of the Directors, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified 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 or member of the committee or sub-committee and had been entitled to vote.

#### **49 Minutes of Meetings**

The Directors shall cause minutes to be made in books kept for the purpose of:

- 49.1** all appointments of officers made by the Directors; and
- 49.2** all proceedings at general meetings, at meetings of the holders of any class of shares, and of the Directors and of committees of Directors, including the names of the Directors present at each such meeting.

### **COMMITTEES OF THE DIRECTORS**

#### **50 Appointment and constitution of committees**

- 50.1** The Directors may delegate any of their powers or discretions to committees. The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named persons or persons to be co-opted as hereinafter provided.
- 50.2** Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee but so that the number of members who are not Directors shall be less than one-half of the total number of members of the committee.

## **51 Proceedings of committee meetings**

The meetings and proceedings of any such committee consisting of two or more persons shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

## **DIRECTORS' INTERESTS**

## **52 Directors may have interests**

**52.1** Subject to the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any contract, 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 contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

**52.2** Subject to Article 53, on any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof.

**52.3** If a question arises at any time as to the materiality of a Director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

## **53 Directors' interests - general**

**53.1** For the purposes of these Articles:

- 53.1.1** a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, 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 contract, transaction or arrangement of the nature and extent so specified;
- 53.1.2** an interest of a person who is connected (within the meaning of Section 346 of the Act) with a Director shall be treated as an interest of the Director; and

- 53.2 an interest (whether of his or of such a connected person) 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.

## **POWERS OF DIRECTORS**

### **54 General powers**

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company subject to any regulations of these Articles, to the Act and to any directions given by special resolution of the Company, but no direction so made by the Company shall invalidate any prior act of the Directors which would have been valid if such direction had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

### **55 Appointment of attorney**

The Directors may from time to time and at any time by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and may also authorise any such agent to delegate all or any of the powers, authorities and discretions vested in him.

### **56 Borrowing powers**

Subject to the Act and to Board Reserved Matters, the Directors may exercise all the powers of the Company to borrow and raise money, and to mortgage or charge all or part of its undertaking, property (present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **57 Board Reserved Matters - Limitations on the management**

No action is to be undertaken, or resolution passed, by the Company in respect of the following matters, or their nearest equivalent ("**Board Reserved Matters**") without the votes of both the A Director and the B Director (or in circumstances when there are more than one of each class of Director, by a majority of the votes exercisable by the A Directors and a majority of the votes exercisable by the B Directors):

- (i) any change to the memorandum of association and articles of association of the Company;
- (ii) the appointment and removal of the auditors;
- (iii) any change of name;
- (iv) the adoption of the audited accounts;
- (v) any change to the accounting reference date or accounting policies;
- (vi) the presentation of any petition for winding-up;

- (vii) any change in the share capital or the creation, allotment or issue of any shares or of any other security or the grant of any option or rights to subscribe for or to convert any instrument into such shares or securities;
- (viii) any reduction of the share capital or variation of the rights attaching to any class of shares or any redemption, purchase or other acquisition by the Company of any shares or other securities of the company;
- (ix) the entry into of any joint venture, partnership, consortium or other similar arrangement;
- (x) the appointment, discharge, remuneration and conditions of employment of any employee earning £100,000 salary (excluding any amount paid under a bonus or profit sharing scheme, share option or share incentive scheme or employee share trust or share ownership plan or retirement benefit scheme approved in accordance with Article 57(xi) below) or more each year;
- (xi) the adoption of any bonus or profit-sharing scheme, any share option or share incentive scheme or employee share trust or share ownership plan or retirement benefit scheme;
- (xii) the sale of the Company or any consolidation or amalgamation with any other company;
- (xiii) the cessation of any business operation;
- (xiv) any material change to the nature of the business of the Company or carrying on any business other than this business;
- (xv) the approval and acceptance of, and amendment to, any business plan and the taking of any action which would have a material impact on the business of the Company which is not within the scope of an business plan;
- (xvi) the approval and acceptance of, and amendment to, any budget and the incurring of any expenditure which would have a material impact on the business of the Company which is not within the scope of an approved budget.
- (xvii) the entry into of any contract or commitment or termination of a contract or commitment under which the Company may incur or has undertaken to incur costs of £200,000;
- (xviii) any transaction with a member or an A Shareholder or a B Shareholder any of their associated companies not in the ordinary course of business or not on arms' length commercial terms;
- (xix) the acquisition of any assets or property (other than in the ordinary course of business) at a total cost (per transaction) of more than £200,000;
- (xx) the sale or disposition of any assets for a total price per transaction of more than £200,000;
- (xxi) the borrowing of amounts which when aggregated with all other borrowings (or indebtedness in the nature of borrowings) would exceed £2,000,000, or the creation of any charge or other security (including any repurchase agreement) over any assets or property of the Company except for the purpose:

- (iv) of securing borrowings (or indebtedness in the nature of borrowings) from bankers in the ordinary course of business of amounts not exceeding in the aggregate £2,000,000; or
- (v) where the creation of such a charge or other security is necessary to undertake the business of the Company and is a consequence of the membership of the Company of a securities settlement system;
- (xxii) the disposal of or dilution of the Company's interests, directly or indirectly, in the Company;
- (xxiii) the payment or declaration of any dividend or other distribution on account of shares in its capital, and agreement as to how much of any profit shall be retained by the Company and therefore not paid as a dividend or other distribution to the members;
- (xxiv) the commencement or settlement of any litigation, arbitration or other proceedings which are material in the context of its business and which do not involve a member or director (or former member or director) or the A Shareholder or the B Shareholder or an associated company of such a member or A Shareholder or B Shareholder;
- (xxv) the incorporation or dissolution of a new subsidiary undertaking or the acquisition of any share capital or other securities of any body corporate;
- (xxvi) the giving of any guarantee or indemnity other than in the normal course of its business;
- (xxvii) the making of any loan or advance to any person, firm, body corporate or other business, other than to a subsidiary other than in the normal course of business and on an arms' length basis.

## **THE SEAL**

### **58 The Seal**

- 58.1** The Directors shall provide for the safe custody of the Seal and the Seal shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.
- 58.2** Every instrument to which the Seal shall be affixed (other than a certificate for or evidencing shares, debentures or other securities (including options) issued by the Company) shall be signed autographically by one Director and the secretary or by two Directors.
- 58.3** Any instrument signed by one Director and the secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

## **ACCOUNTS**

### **59 Accounting records**

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Act shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Every member of the Company shall have the right to inspect and take copies of any account or book or document of the Company during the Company's normal hours of business.

## **NOTICES**

### **60 Service of notices**

- 60.1** Any notice or document (including a share certificate) shall be in writing in English and may be served on or delivered to any member by the Company by messenger, fax (provided this is followed by the sending of a copy by overnight courier) or pre-paid post (first class in the case of service in the United Kingdom and airmail in the case of international service) either personally or by sending it by post in a pre-paid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid.
- 60.2** Any notice shall be deemed to have been received on the next working day in the place to which it is sent if sent by telegram or fax, or 60 hours from the time of posting if sent by post.
- 60.3** The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 60.4** Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

### **61 Joint holders**

Any notice given to that one of the joint holders of a share whose name stands first in the Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such.

### **62 Deceased and bankrupt members**

A person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and



whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

### **63 Statutory requirements as to notices**

Nothing in Articles 60 to 62 shall affect any requirement of the Act that any particular offer, notice or other document be served in any particular manner.

## **INDEMNITY**

### **64 Indemnity**

- 64.1** Subject to the provisions of and so far as may be permitted by law, every Director, auditor secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.
- 64.2** Without prejudice to the provisions of Article 36 or Article 64.1, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any Relevant Company (as defined in Article 64.3), or who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 64.3** For the purpose of Article 64.2, "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of any such other body.



**Rochelle Bays, Chairman**