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PRIVATE COMPANY LIMITED BY SHARES



MEMORANDUM OF ASSOCIATION

Of

SOUTH EASTERN RECOVERY II LIMITED

- 1 The name of the Company is "SOUTH EASTERN RECOVERY II LIMITED".
- 2 The Registered Office of the Company will be situate in Scotland.
- 3 The objects for which the Company is established are:-
  - (A) To carry on, on a commercial basis and with a view to the realisation of profits, activities consisting of or connected with the provision and maintenance of dwellinghouses which the Company lets or intends to let on assured tenancies; to purchase, take on lease or in exchange, or otherwise, acquire any property, buildings, lands and estates; to develop and turn to account any land acquired by or in which the Company is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, demolishing, decorating, maintaining, furnishing and improving buildings and by planting, paving and drainage; and to provide services of all kinds which may be required (directly or indirectly) in connection with any of the foregoing.
  - (B) To carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with the objects specified in Clause (A) hereof or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
  - (C) To purchase, take on lease or in exchange, hire or by any other means acquire and hold for any estate or interest any property, lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal property of any kind considered necessary, expedient or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
  - (D) To borrow or raise or secure the payment of money in any manner the Company shall think appropriate for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the

borrowing or raising of money by the Company to become a member of any building society.

- (E) For the purposes of or in connection with the business of the Company to mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly.
- (F) To give indemnity for, or to guarantee, support or secure the performance of all or any of the obligations of any person or company whether by personal covenant or by mortgage, charge or lien on the whole or any part of the undertaking, property and assets of the Company both present and future including its uncalled capital or by all or any of such methods; and in particular, but without limiting the generality of the foregoing, to give indemnity for, or to guarantee, support or secure whether by personal covenant or by any such mortgage, charge, or lien, or by all or any of such methods, the performance of all or any of the obligations (including the repayment or payment of the principal and premium on and interest on, any securities) of any company as defined by Section 736 of the Companies Act 1985 or otherwise associated with the Company in business.
- (G) To receive money on loan or deposit upon such terms as the Company may approve and to guarantee the obligations and contracts of any person or corporation.
- (H) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- (I) To invest and deal with the monies of the Company not immediately required for the purposes of its business or securities in or upon such investments, and in such manner as may from time to time be determined.
- (J) To apply for, purchase or otherwise acquire and hold, use, develop, licence or otherwise dispose of or deal with patents, copyrights, designs, trade marks, brevet d'invention and concessions and the like and any interest therein.
- (K) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

- (L) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash or by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (M) To form, promote, finance or assist any other company whether for the purpose of acquiring all or any of the undertaking, property and assets of the Company or for any other purpose for which the Company may consider to be expedient.
- (N) To establish and maintain or procure the establishment and maintenance of any non-contributory pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is for the time being the Company's Holding or Subsidiary Company as defined by Section 736 of the Companies Act 1985, or otherwise associated with the Company in business or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful objects and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (O) To enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company, and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in any such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such company.
- (P) To subscribe for, purchase or otherwise acquire and hold shares, stock, debentures or other securities of any other company.
- (Q) To sell, improve, manage, develop, turn to account, exchange, let on rent, grant, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertakings and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (R) To acquire, purchase, take over and undertake part or all of the business, property, assets and liabilities and transactions of any firm, person or

company carrying on any business which this Company is authorised to carry on or which can be carried on in conjunction therewith or is capable of being conducted so as directly or indirectly to benefit the Company or to advance its interests generally.

- (S) To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) for the time being required by law.
- (T) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable) to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (U) To do all or any of the above things in any part of the world either along or in conjunction with others and either as principals, agents, contractors, trustees or otherwise and either by or through agents, contractors, trustees or otherwise.
- (V) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that, save as otherwise expressly provided, each of the paragraphs of this Clause shall be regarded as specifying separate and independent objects and accordingly shall not be in any way limited by reference to or interference from any other paragraph or the name of the Company and the provisions of each such paragraph shall, save as aforesaid, be carried out in as full and ample a manner and construed in as wide a sense as if each of the paragraphs defined the objects of a separate and distinct company.

- 4 The liability of the members is limited.
- 5 The share capital of the Company is £7,500,000 divided into 15,000,000 Ordinary Shares of £0.50p each.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

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Name, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
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Company Registration Agent

Company Registration Agent

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DATED

Witness to the above Signatures:-

Company Registration Agent

*DMU*

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PRIVATE COMPANY LIMITED BY SHARES

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NEW

ARTICLES OF ASSOCIATION

OF

SOUTH EASTERN RECOVERY II LIMITED

(Adopted by a Special Resolution passed on  
25 September 2000)

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- 1 The regulations in Table A as prescribed by the regulations made pursuant to section 1 of the Companies Act 1985 shall not apply to the Company save where expressly incorporated pursuant to these Articles of Association.

INTERPRETATION

- 2 In these Articles, unless the contract otherwise requires, the words standing in the first column in the following table shall bear the meanings set opposite them respectively in the second column.

<u>Words</u>	<u>Meanings</u>
"Acts"	the Companies Acts as defined in section 744 of the 1985 Act and the Companies Act 1989
"these Articles"	these Articles of Association in their present form or as from time to time altered
"Board"	the Board of Directors of the Company or the directors present at a meeting of directors of which a quorum is present
"Group"	the Company and its subsidiaries from time to time
"Member"	a member of the Company
"1985 Act"	the Companies Act 1985
"Office"	the registered office for the time being and from time to time of the Company
"paid up"	paid up or credited as paid up

"Register"	the Register of Members of the Company
"Seal"	the common seal of the Company or any official seal that the Company may be permitted to have under the Acts

## BUSINESS

- 3 Any branch or kind of business which by the Memorandum of Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Company at such time as the Board shall consider appropriate, and, further, may be suffered by them in abeyance, whether such branch or kind of business may have been actually commenced or not, provided that the Board may deem it expedient not to commence or proceed with such branch or kind of business.

## SHARE CAPITAL

- 4 The authorised share capital of the Company is £7,500,000 divided into 15,000,000 ordinary shares of 50p each (the "**Shares**"). The Shares will be one class of shares and shall rank *pari passu* in all respects.
- 5 There is no Article 5.
- 6 Ordinary Shares shall carry no present or future preference rights to dividends or to assets on a winding up of the Company and no present or future preferential right to be redeemed.
- 7 There is no Article 7.
- 8 There is no Article 8.
- 9 There is no Article 9.
- 10 There is no Article 10.
- 11 There is no Article 11.
- 12 Subject to any special rights conferred on the holders of any Shares or class of shares (as may be subsequently created after the adoption of these Articles), any Share in the Company may be issued with or have attached thereto such rights or restrictions as the Company may by special resolutions determine or, if there has not been any such determination in so far as the same shall not make specified provision, as the Board may determine. The Company shall, if required in accordance with Section 128 of the 1985 Act, within one month after allotting Shares deliver to the Registrar of Companies a statement in the prescribed form containing particulars of special rights.
- 13 The Shares shall be under the control of the Directors and the Directors may allot, grant options over, or otherwise dispose of or deal with any unissued Shares and relevant securities (as defined by Section 80(2) of the Act) to such persons and generally on such terms and in such manner as they think fit.
- 14 Subject to the Acts and the terms of these Articles, the Company may purchase in any manner the Board considers appropriate any of its own Shares of any class (including redeemable shares) at any price and any Shares to be so purchased may be selected by the

Board in any manner whatever. Provided that the Company shall not exercise such powers without the sanction of an extraordinary resolution passed at a separate meeting of the holders of any class of shares in the capital of the Company which are convertible.

### **ALTERATIONS OF CAPITAL**

- 15 The Company may from time to time by ordinary resolution;
  - 15.1 *increase its capital by such sum, to be divided into shares of such amounts as the resolution prescribes and may by such resolution direct that the new shares or any of them will first be offered to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to issue of the new shares;*
  - 15.2 consolidate and divide all or any of its capital into shares of larger amount than its existing Shares;
  - 15.3 cancel any 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 capital by the amount of the Shares so cancelled; and
  - 15.4 sub-divide its Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Acts), and may by such resolution determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares.
- 16 The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner.

### **MODIFICATION OF RIGHTS**

- 17 Subject to the Acts and the special rights attaching to any class of shares, all or any of the special rights for the time being attached to any class of shares may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
  - 17.1 the necessary quorum (other than at any adjourned meeting) shall be one or more persons holding or representing by proxy not less than one-third of the issued shares of the class and at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting;
  - 17.2 every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and
  - 17.3 the special rights conferred upon the holders of any Shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or in the terms of issue of such

Shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

## **SHARES**

- 18.1 Subject to the Acts, any resolution of the Company pursuant thereto, and these Articles, the unissued Shares of the Company (whether forming part of the original or any increased capital) will be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
- 18.2 The Directors are generally and unconditionally authorised for the purposes of Section 80 of the 1985 Act to exercise all or any powers of the Company to allot relevant securities (as defined in sub-section (2) of that section) of the Company up to the amount of the authorised but unissued share capital of the Company at the date of adoption of these Articles. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by ordinary resolution of the Company in General Meeting.
- 18.3 The Directors are empowered generally and conditionally to allot equity securities (as defined in Section 94 of the 1985 Act) as if Section 89(1) of the 1985 Act did not apply to such allotment pursuant to the authority conferred under paragraph 18.2 above.
- 19 The Company may in connection with the issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Acts. Subject to the Acts, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares in one and partly in the other.
- 20 The Directors shall be entitled at their sole discretion but not bound, to recognise the holding of any Share upon trust, except where required by law to do otherwise.

## **SHARE CERTIFICATES**

- 21 Every person whose name is entered as a holder of any Shares in the Register is entitled, without payment, to receive one certificate for all such Shares of any open class. In the case of a Share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member who has transferred part of the Shares is entitled to a certificate for the balance without charge.
- 22 Every certificate will specify the number and class of the Shares to which it relates, and the amount paid up thereon.
- 23 If a share certificate is worn out, defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity as the Board may think fit.

## **CALLS ON SHARES**

- 24 The Company shall only allot Shares which are fully paid both in respect of the nominal amount due thereon and any premium.

## **TRANSFER OF SHARES**

- 25 Subject to these Articles, any Member may transfer all or any of his Shares by an instrument of transfer in any usual form or in any other form approved by the Board.
- 26 The instrument of transfer shall be executed by or on behalf of the transferee, and in the case of a partly paid share, by the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Register in respect thereof.
- 27 The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer which is not duly stamped but otherwise shall be obliged to register a transfer.
- 28 There is no article 28
- 29 If the Board refuses to register a transfer of a Share, it shall, within two months after the date on which the transfer was lodged with the Company or within ten days after the Board has determined to refuse to register such transfer, whichever is earlier, send to the transferee notice of the refusal, as required by section 183(5) of the 1985 Act.
- 30 There is no article 30.
- 31 No fee shall be charged for the registration of any transfer or other document in relation to or affecting the title to any Share, or for otherwise making any entry in the Register relating to any share.
- 32 All registered transfers will be retained by the Company, but all others shall (except in any case of fraud) be returned to the person depositing them.

## **TRANSMISSION OF SHARES**

- 33 If a Member dies the survivor, or survivors where the deceased was a joint holder, and his representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the Shares.
- 34 A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of that Share to receive notices of or to attend or vote at meetings of the Company.

## **UNTRACED MEMBERS**

- 35 The Company may sell at the best price reasonably obtainable the Shares of a Member or the Shares to which a person is entitled by means of transmission if and provided that during a period of one year any communications made by the Company through the post in a prepaid letter addressed to the Member at his registered address shown in the Register have been returned unopened the Company shall advertise both in a leading daily newspaper published in London and in a newspaper circulating in the area of the said address giving notice of its intention to sell the Shares and if the period of three months following such advertisements the Company has had no indication that such member or person can be traced. To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such shares or any of them and such instrument or transfer shall be as effective as if it has been executed by the registered holder of or person entitled by transmission to such shares.

## DISCLOSURE OF INTERESTS IN SHARES

- 36 If any Member, or any other person appearing to be interested in shares held by such Member, has been duly served with a notice under Section 212 of the 1985 Act and is in default in supplying to the Company within the time limit prescribed in the said notice the information thereby required, then the Board may in its absolute discretion at any time thereafter by notice (a "**Discretion Notice**") to such Member direct that in respect of the Shares in relation to which the default occurred (the "**Default Shares**") (which expression shall include any further shares which are issued in respect of such shares) the Member shall not be entitled to vote either personally or by proxy at a general meeting of the Company or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares of the Company.
- 37 The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the said Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice.
- 38 Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which the Discretion Notice was issued continues and (unless the Board otherwise determines) for a period of one week thereafter but shall cease to have effect in relation to any Default Shares which are transferred by such Member by means of an approved transfer. The Board may at any time give notice cancelling a Default Notice.
- 39 For the purpose of Articles 36 to 40:
- 39.1 a person shall be treated as appearing to be interested in any Shares if the Member holding such Shares has given to the Company a notification under the said Section 212 of the 1985 Act which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe or suspects on reasonable grounds that the person in question is or may be interested in the Shares;
- 39.2 a transfer of Shares is an approved transfer if, but only if:
- (a) it is a transfer of Shares to an offeror by way of or in pursuance of acceptance of a take-over offer for a company (as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985); or
  - (b) the Board are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the Shares to a party unconnected with the Member and with other persons appearing to be interested in such Shares.
- 40 Nothing contained in Articles 36 to 40 shall limit the power of the Board under Section 216 of the 1985 Act.

## GENERAL MEETINGS

- 41 Each general meeting, other than an Annual General Meeting, will be called an Extraordinary General Meeting.
- 42 The Board may call general meetings and, on the requisition of Members pursuant to the provisions of the Acts, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than six weeks after receipt of the acquisition. If there are not,

within the United Kingdom, sufficient directors to form a quorum any director or any two Members may call an Extraordinary General Meeting.

#### **NOTICE OF GENERAL MEETINGS**

- 43 An Annual General Meeting and an Extraordinary General Meeting called for the passing of a special resolution shall be called by not less than twenty-one clear days' notice in writing. All other Extraordinary General Meetings may be called by not less than fourteen clear days' notice in writing but a General Meeting may be called by shorter notice if it so agreed:
- 43.1 in the case of a meeting called as an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- 43.2 in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting

- 44 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) to send such instrument or proxy to, or the non-receipt of such notice or such instrument of proxy by, the person entitled to receive such notice shall not invalidate the proceedings at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 45 No business shall be transacted at any general meeting unless a quorum is present, but the absence of quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting; any Member entitled to vote and be present in person or by proxy or (in the case of a corporation) by a duly authorised officer shall be a quorum for all purposes.
- 46 If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present it 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 Board may determine. If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, one person entitled to be counted in a quorum present at the meeting shall be a quorum.
- 47 Notwithstanding that he is not a Member each director may attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 48 The Chairman, if any, of the Board or, in his absence, a deputy chairman, if any, shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
- 49 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might lawfully 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 of the adjourned meeting 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 be unnecessary to give notice of an adjournment.

- 50 If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the Chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

## VOTING

- 51 Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, on a show of hands every Member present in person shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every share of which he is the holder. 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 or on the withdrawal of any other demand for a poll) a poll is demanded.

51.1 by the chairman; or

51.2 by at least two Members entitled to vote at the meeting; or

51.3 by a Member or Members representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

51.4 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 shares conferring that right; or

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

- 52 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost and an entry to that effect in the minute book of the Company, shall (in the absence of manifest error) be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

- 53 *If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.*

- 54 A poll demanded on the election of a chairman, or on a question or adjournment shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than thirty days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken forthwith if the time and place 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.

- 55 The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the

consent of the Chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

- 56 On a poll votes may be given either personally or by proxy.
- 57 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 58 The chairman of a meeting shall not be entitled to a casting vote.
- 59 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 joint holding.
- 60 A Member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee, curator, bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings.
- 61 There is no article 61.

#### **PROXIES**

- 62 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- 63 A proxy need not be a Member.
- 64 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, shall be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than twenty four hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll, or where the poll is not taken forthwith but is taken not more than forth-eight hours after it was demanded, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

#### **NUMBER OF DIRECTORS**

- 65 Unless and until the Company in General Meeting shall otherwise determine, there shall be no maximum number of Directors and the minimum number of Directors shall be two and Regulation 64 of Table A shall be deemed amended accordingly.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 66 A director will not require a share qualification.

- 67 There is no article 67.
- 68 There is no article 68.
- 69 The quorum for meetings of Directors shall be two or such other number as the Directors shall from time to time decide and Regulation 89 of Table A shall be deemed amended accordingly.
- 70 Subject to these Articles, the Company may by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board.

#### **DISQUALIFICATION OF DIRECTORS**

- 71 The office of a director shall be vacated if:
- 71.1 he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;
- 71.2 he is, or may be, suffering from mental disorder;
- 71.3 without leave, he is absent from meetings of the Board (whether or not an alternate director appointed by him attends) for three consecutive meetings and the Board resolves that his office be vacated; or
- 71.4 he becomes bankrupt or makes any arrangement or composition with his creditor; or
- 71.5 he is prohibited by law from being a director; or
- 71.6 he ceases to be a director by virtue of the Acts or is removed from office pursuant to these Articles.
- 72 No person shall be disqualified from being appointed a director and no director shall be required to vacate that office by reason only of the fact that he has attained the age of seventy years or any other age, nor shall it be necessary to give special notice under the Acts of any resolution appointing, re-appointing or approving the appointment of a director by reason of his age, but where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a director will be proposed for election or re-election who has at the date of such meeting attained the age of seventy years, the Board shall give notice of his having attained such age in the notice convening the meeting or omission to give such notice covering the meeting or in any document sent therewith, but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such director thereat.

#### **ROTATION OF DIRECTORS**

- 73 The Directors shall not be subject to retirement by rotation. Accordingly, Regulations 73-75 inclusive of Table A shall not apply to the Company and the words "and may also determine the rotation in which any additional directors are to retire" in Regulation 78 of Table A, the words "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting" in Regulation 79 of Table A, and the last sentence of Regulation 84 of Table A shall not apply to the Company.

#### **EXECUTIVE DIRECTORS**

- 74 The Board may from time to time appoint one or more of its body to be a Managing Director, Joint Managing Director or Assistant Managing Director or to hold any other employment or executive office with the company for such period (subject to the Acts) and upon such terms as the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the Company or the Company may have against such director for any breach of any contract or service between him and the Company which may be involved in such revocation or termination.

#### **ALTERNATE DIRECTORS**

- 75 Any director (other than an alternate director) may appoint any person to be his alternate director and may at his discretion remove such alternate director. Any appointment or removal of an alternate director shall be effected by notice in writing signed by the appointor and delivered to the office or tendered at a meeting of the Board. An alternate director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the director appointing him and shall be entitled to such extent and to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties or his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director.
- 76 An alternate Director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director.

#### **DIRECTORS' FEES AND EXPENSES**

- 77 Each of the directors may be paid a fee at such rate as may from time to time be determined by the Board provided that the aggregate of all such fees so paid to directors (excluding amounts payable under any other Article) will not exceed £20,000 per annum, or such higher amount as may from time to time be determined by ordinary resolution of the Company.

#### **DIRECTORS' INTERESTS**

- 78 A director may:
- 78.1 hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and subject to section 319 of the 1985 Act upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article.
- 78.2 act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm may be remunerated for professional services as if he were not a director.
- 78.3 be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or office of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company

held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

- 79 A director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- 80 Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more directors to office or places of profit with the Company or any other company in which the Company is interested, a separate resolution shall be put in relation to each director.
- 81 Subject to the Acts and to Article 83 no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.
- 82 A director who to his knowledge is in any way, whether director or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general notice to the Board by a director to the effect that:
- 82.1 he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement at which may after the date of the notice be made with that company or firm; or
- 82.2 he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him,
- shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to ensure that it is brought up and read at the next Board meeting after it is given.
- 83 Subject to section 317 of the 1985 Act a director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with a company may vote in respect of any such transaction or arrangement or proposed transaction or arrangement and be capable of constituting a quorum at any meeting of the directors at which any such transaction or arrangement or proposed transaction or arrangement shall come before the directors for consideration and may retain for his own absolute use and benefit or indirectly accruing to him thereunder or in consequence thereof.

## **GENERAL POWERS OF THE DIRECTORS**

- 84 The business of the Company shall be managed by the Board, which may pall all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Acts or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Acts and of these Articles and to any agreement binding on the Company and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 85 The Board may by power of attorney any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 86 The Board may entrust to and confer upon any director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
- 87 All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

### **PENSIONS**

- 88 The Company shall not grant pensions, annuities or other allowances or benefits to any person.

### **BORROWING POWERS**

- 89 The Board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Acts, to issue debentures and other securities, whether outright or as collateral for any debt, liability or obligation of the Company or of any third party.
- 90 There is no article 90.
- 91 There is no article 91.

### **PROCEEDINGS OF THE DIRECTORS**

- 92 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. Any chairman of the meeting including any Independent Chairman

appointed under Article 96, shall have a casting vote. A director may, and the Secretary on the requisition of a director shall, at any time summon a Board meeting.

- 93 Subject to Article 92, all or any of the directors may participate in a meeting of the Board or a committee of the board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other.
- 94 Notice of a Board meeting shall be deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A director may waive notice of any meeting either prospectively or retrospectively.
- 95 The continuing directors or a sole continuing director may act notwithstanding any vacancy in the Board 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, notwithstanding that the number of directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
- 96 The Board may elect a chairman ("the Independent Chairman") and one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the Independent Chairman nor any deputy chairman is present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
- 97 A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
- 98 For the purposes of accepting applications and allotting shares under the Offer for Subscription the Board may delegate any of its powers, authorities and discretions to committees, consisting of not less than two of its members as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- 99 The meetings and proceedings of any committee shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the board under the last preceding Article.
- 100 A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the board (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the directors or members of the committee concerned.
- 101 All acts done by the board or by any committee or by any person acting as a director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board of such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated

office, 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 such committee.

#### **MINUTES**

- 102 The Board shall cause minutes to be made:
- 102.1 of all appointments of officers made by the Board;
- 102.2 of the names of the directors present at each meeting of the Board or committee of the Board; and
- 102.3 of all resolutions and proceedings at all meetings of the Company, of any class of shares in the Company, of the Board and of any committee of the Board.

Any such minute as aforesaid, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minute without any further proof.

#### **SECRETARY**

- 103 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it determines, and any Secretary so appointed may be removed by the Board.
- 104 A provision of the Acts or these Articles requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary.

#### **SEAL**

- 105 The Board shall provide for the custody of every Seal. A Seal shall only be used by the authority of the board or of a committee of the Board authorised by the board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by one or more directors and the Secretary or by two or more directors, and any instrument to which an official seal is affixed need not, unless the board for the time being otherwise determines or the law otherwise requires, be signed by any person.
- 106 Where the Acts so permit, 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 shall be so signed which makes it clear on its face that it is intended by the person or persons making to have effect as a deed without the authority of the board or any committee of the Board.*
- 107 The Company may exercise all the powers conferred by the Acts with regard to having official seals, and such powers shall be vested in the Board.

#### **AUTHENTICATION OF DOCUMENTS**

- 108 Any director of the Secretary or any person appointed by the board for the purpose may authenticate and document affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company.

## **DIVIDENDS AND OTHER PAYMENTS**

- 109 Subject to the Acts, the Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.
- 110 Except insofar as the rights attaching to, or the terms of issue of, any Share otherwise provide all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid.
- 111 No dividend or other moneys payable by the Company on or in respect of any Share shall bear interests against the Company.

## **RESERVES**

- 112 Before recommending any dividend, the Board may set aside out of the profits the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

## **RECORD DATES**

- 113 Notwithstanding any other provisions of these Articles, but subject always to the Acts, the Company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

## **ACCOUNTING RECORDS**

- 114 The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Acts.
- 115 The accounting records shall be kept at the Office or, subject to the Acts, at such other place or places as the Board decides and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.
- 116 A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Acts. Provided always that if the Acts so permit the Company need not send copies of such documents to members who do not wish to receive them but may send them such summary financial statements or other documents as may be authorised by the Acts.

## **AUDITORS**

- 117 Auditors shall be appointed and their duties regulated in accordance with the Acts.

## NOTICES

- 118 Any notice or other document (including a share certificate) may be served on or delivered to any Member by the company either personally or by sending it through the post in a prepaid letter addressed to such Member at this registered address appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery or any notice or other document to the person who is first named on the Register shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 119 Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

## WINDING UP

- 120 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 Acts and subject to any provisions sanctioned by ordinary resolution of the Company under section 719 of the 1985 Act (without prejudice to section 187 of the Insolvency Act 1986), divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such 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 such assets in trustees upon such trusts for the benefit of the contributories and the liquidator, with the like sanction, thinks fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability. Without prejudice to section 187 of the Insolvency Act 1986, the liquidator may make any provision referred to in and sanctioned in accordance with section 719 of the 1985 Act.

## INDEMNITY

- 121 Subject to and so far as may be permitted by the Acts, every director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities (including, but without limitations, any such liability as is mentioned in section 310(3) of the 1985 Act) which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.
- 122 Notwithstanding the provisions of these Articles the directors shall be obliged so far as may be permitted by law to act in all respects in accordance with and give effect to any Agreement (relating in whole or in part) to the management and affairs of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any provision of these Articles.

## OVERRIDING PROVISIONS

- 123 Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and