

147178

Articles of Association

The McCartney Group Limited
(in the process of changing its name to MITIE McCartney Fire
Protection Limited)

Dated *2nd June* 2000

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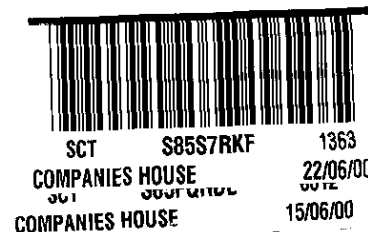
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Company no. SC147178

The Companies Act 1985

Company limited by shares

Articles of Association

of

The McCartney Group Limited

(In the process of changing its name to MITIE McCartney Fire Protection Limited)

(adopted by special resolution dated 2nd June 2000)

1. Preliminary

- 1.1 The Regulations contained in Table A of the Companies (Table A to F) Regulations 1985 ("**Table A**") (as amended) shall apply to the Company save in so far as they are varied or excluded by or are inconsistent with these Articles, and such Regulations (subject as aforesaid) and these Articles shall be the Articles of Association of the Company.
- 1.2 Where the context requires words importing the singular number shall include the plural and vice versa and words importing the masculine shall include the feminine.
- 1.3 In these Articles the expression "**the Act**" means the Companies Act 1985, but so that any reference in these Articles to any enactment shall be construed as a reference to it as consolidated, amended, modified or re-enacted from time to time.

2. Private company

The Company is a private company.

3. Share capital

- 3.1 The share capital of the Company at the date of the adoption of these Articles is £150,000 divided into 150,000 Ordinary Shares of £1 each.

4. Lien

Without prejudice to the lien conferred by Regulation 8 of Table A the Company shall have a first and paramount lien on all shares for all

moneys presently payable by a member or his estate to the Company. The liens conferred above and by Regulation 8 of Table A shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder of them or one of two or more joint holders.

5. **Calls**

The liability of any member in default in respect of a call shall be increased by the addition in Regulation 15 of Table A of the words "and all expenses that may have been incurred by the company by reason of such non-payment" after the words "(as defined by the Act)" and the words "and expenses" after the words "of the interest" and also by the addition in Regulation 18 of Table A of the words "and all expenses that may have been incurred by the company by reason of non-payment" after the words "together with any interest".

6. **Transfer of Shares**

6.1 For the purpose of this Article 6, the following expressions have the following meanings:

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|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Approved Offer | an offer received in good faith and on an arm's length basis for all of the shares in the Company then owned by MITIE Group PLC which includes an undertaking from the offeror that neither it nor persons acting by agreement or understanding with it have entered into or agreed more favourable terms with MITIE Group PLC than it is offering to the Employee Shareholders (including having regard to the substance of the transaction as a whole any addition to the price payable for each share in the Company belonging to MITIE Group PLC) and which is stipulated to remain open for acceptance for at least 21 days; |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Current Year Profits" | the profits of the Company (determined on the same basis as the Profits) for the Company's accounting year ended 31st March during which a proposing transferor (as defined below) serves a Transfer Notice; |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
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| "Employee Shareholder" | an employee of the Company who is also a shareholder of the Company; |
|-------------------------------|----------------------------------------------------------------------|

| | |
|-----------------------|----------------------------------|
| "Family Trust" | a trust under which no immediate |
|-----------------------|----------------------------------|

beneficial interest in the shares in question is for the time being or may in the future be vested in any person other than the Employee Shareholder concerned or the Privileged Relation of such Employee Shareholder and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustee or trustees or the Employee Shareholder concerned of the Privileged Relation of such Employee Shareholder;

"Privileged Relation"

the spouse or widow or widower of an Employee Shareholder and the Employee Shareholder's children and grandchildren;

"Profits"

the average annual profits of the Company after taxation for the three years ending on the 31st March immediately preceding the date of a Transfer Notice (and if any accounting period is longer or shorter than 12 months then such adjustments as are reasonable to have it reflect a true 12 months position shall be made to have it reflect a 12 months period) as shown by its audited accounts for those three years, which shall be prepared on the following basis:

- (a) using the same accounting principles and policies as those used for the preparation of MITIE Group PLC's audited accounts;
- (b) valuing work in progress at the amount agreed to be paid by customers or in default of agreement as certified by an independent quantity surveyor;
- (c) after making such adjustment as is appropriate for the increase or decrease in the profit on uncompleted contracts;
- (d) after making such adjustment as is reasonable where work has been

invoiced in one accounting period but where such work (or part of it) falls to be undertaken in a prior or subsequent accounting period;

- (e) after making such adjustment as is reasonable where costs have been incurred in one accounting period but where the invoice for such costs (or part of them) is received in another accounting period;
- (f) after deleting any profit resulting directly or indirectly from any dealing by the Company being conducted otherwise than on an arm's length basis;
- (g) after treating any invoice which is more than three months old at the date of the preparation of the relevant accounts and which remains unpaid at the date of a transfer notice (as defined in Article 6.2) as an irrecoverable bad debt;
- (h) after taking into account the annual management charge levied by MITIE Group PLC being a percentage (but not more less than 2.5%) of the Company's turnover in the relevant year and not a higher percentage than is charged to any other company in the MITIE group of companies;
- (i) after taking into account such other annual management charges levied by the divisional administration company or centre but not more than 1% of turnover and not greater than is charged to any other company in the MITIE group of companies ;
- (j) after allowing a minimum of £262,000 Index Linked (or such higher amount as then represents the market rate) plus the bonuses

to which they are entitled pursuant to their contracts of employment with the Company and pension contributions at the same percentage of salary as they are entitled as at today's date, for the remuneration and benefits of the Employee Shareholders and directors of the Company; and

- (k) if the Company has not complied with its obligations set out in the shareholders' agreement entered into on the date of the adoption of these articles between the shareholders of the Company and the Company then after allowing such additional amount as is reasonable in the circumstances to reflect the additional expenditure that would have been incurred had the Company complied with those obligations.

6.2 *Transfers to family shareholders, trusts and nominees*

- (a) Any Employee Shareholder (or the legal personal representatives of a deceased Employee Shareholder) may at any time transfer up to 50% of the shares in the Company held by him at the date of the adoption of these Articles to a Privileged Relation or the trustees of a family trust;
- (b) The trustees of a Family Trust may, on a change of trustees, transfer shares held by them in their capacity as trustees to the new trustees of that Family Trust;
- (c) The trustees of a Family Trust may also transfer any of the shares held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust;
- (d) Shares may be transferred by an Employee Shareholder to a person to hold such shares as his nominee but any transfers by such nominees shall be subject to the same restrictions as though they were transfers by the original Employee Shareholder himself;
- (e) Shares may be transferred without restriction by a nominee to their beneficial owner or to another nominee of the beneficial owner;

- (f) If any trust whose trustees hold shares in the Company ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall give a transfer notice in respect of those shares and if the trustees fail to give a transfer notice they shall be deemed to have served the Company with a transfer notice in respect of those shares.
- 6.3 Any member ("**the proposing transferor**") desiring to sell, transfer or otherwise dispose of any shares which he holds shall give notice in writing ("**the transfer notice**") to the Company at its registered office specifying such number of the shares held by him which he desires to sell ("**the Shares**"), the price ("**the offer price**") at which the Shares are offered by him and the third party (if any) to whom he proposes to transfer the Shares if they are not purchased by a member pursuant to the following provisions of this Article. A transfer notice shall only be revocable with the consent of the directors.
- 6.4 The transfer notice shall constitute the directors the agents of the proposing transferor for the sale of Shares and the directors shall, within 7 days of the transfer notice being given to the Company, offer the Shares in writing to the members of the Company other than the proposing transferor in proportion to their holdings. Such offer shall state:
- (a) the number of Shares offered;
 - (b) the offer price;
 - (c) the third party specified in the transfer notice (if any);
 - (d) that, if such offer is not accepted in writing within 90 days, it will be deemed to be declined;
 - (e) that, if there be more than one member other than the proposing transferor and any such member to whom such notice is given desires a transfer of Shares in excess of his proportion, he should in his reply state how many excess Shares he desires to have; and
 - (f) that, if there be only one member other than the proposing transferor and the proposing transferor has specified in the transfer notice all the shares not owned by such other member and such other member claims all those shares, he should in his reply state the name of his nominee to hold one or more of the Shares.

If all such members do not claim their proportions, the unclaimed Shares shall be used in or towards satisfying the claims in excess in the proportions in which such claims are made. If any Shares shall not be capable, without fractions, of being offered to such members in

proportion to their existing holdings, the same shall (to the extent that fractions will arise) be offered to such members as may be determined by lots to be drawn in respect of each so offered Share under the direction of the directors.

6.5 The offer price for the Shares specified in a transfer notice shall be as follows:

- (a) If the proposing transferor serves a transfer notice prior to 31 August 2005 then the Price at which he must sell the Shares subject to the transfer notice shall be the proportion which that number of shares in the Company specified in the transfer notice bears to the total value of all the shares in the Company without discount for minority holdings and the value of all such shares shall be the higher of:
 - (i) 5 times' the Profits; and
 - (ii) the net asset value of the Company as shown in its last audited accounts.
- (b) if the proposing transferor serves the transfer notice on or after 31 August 2005 and on or before 30 September 2010:
 - (i) the offer price shall be the proportion which that number of Shares bears to the total value of all the shares in the Company without discount for minority holdings and the value of all such shares shall, subject to the adjustment if the provisions of sub clause (ii) apply, be the lesser of:
 - (A) 10 times' the Profits; and
 - (B) the profits of the Company after taxation shown in the profit and loss account of its last published audited accounts (which shall if necessary be adjusted so that they reflect a period of 12 months) multiplied by a figure equal to one half of one point below the price/earnings multiplier quoted by the London Stock Exchange for MITIE Group PLC on the date that the transfer notice is served by the proposing transferor; and
 - (ii) if the Current Year Profits are lower than the Profits then the Price determined in accordance with sub clause (i) above shall be reduced by £10 for each £1 of shortfall, but subject to a maximum reduction of 10% of the Price.

eg: if the Price determined in accordance with sub clause (i) is £1 million, then the maximum reduction pursuant to sub clause (ii) is £100,000.

- (c) if the proposing transferor serves the transfer notice after 30 September 2010 the offer price shall be the price that the proposing transferor paid for the Shares specified (and for the avoidance of doubt shares acquired first shall be sold first).

If the Employee Shareholders do not agree with the Profits figure for any year then the matter shall be referred at their request for determination by an independent chartered accountant agreed between them and MITIE Group PLC and in default of agreement appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales. Both the Company and the Employee Shareholders shall supply the accountant so appointed with such information as he shall reasonably require in order to make his determination. The independent accountant shall act as an expert and not as an arbitrator and his decision as to the Profits in any year shall be final and binding. The costs of the independent accountant shall be paid by the Company and the Employee Shareholders in the amounts that the accountant shall direct.

- 6.6 In purchasing any Shares and satisfying the offer price the following procedure shall apply:
 - (a) the purchaser shall pay 90% of the offer price at completion and retain 10% of the offer price until such time as the Company's audited accounts showing its Current Year Profits have been approved by its board so as to establish whether any adjustment to the offer price in accordance with paragraph 6.4 (b)(ii) is required;
 - (b) on approval by the Company's board of its audited accounts showing the Current Year Profits any required adjustment to the Price shall be made and within ten Banking Days of such approval if the purchaser owes further consideration to the proposing transferor then he shall pay such additional consideration.
- 6.7 The proposing transferor shall be bound to transfer to each purchaser of the Shares the number of Shares being purchased by him upon payment by such purchaser to the proposing transferor of 90% of the offer price which payment shall be made within 14 days of the acceptance.
- 6.8 If in any case the proposing transferor, after having become bound as aforesaid, makes default in transferring any Shares, the directors may receive the purchase money which shall be paid into a separate bank account and the directors shall within a reasonable period nominate some person to execute an instrument or instruments of transfer of the

relevant Shares in the name and on behalf of the proposing transferor and thereafter, when such instrument or instruments have been duly stamped, the directors shall cause the name of the relevant purchasing member or members to be entered in the register of members of the Company ("**Register**") as the holder or holders of the relevant shares and shall hold the purchase money in trust for the proposing transferor. The receipt of the directors for the purchase money shall be a good discharge to the relevant purchasing member or members and after his or their names have been entered in the Register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

- 6.9 If the directors shall not find a member or members willing to purchase all the Shares under the foregoing provisions within 90 days then the directors shall offer the shares to the employees of the Company in such manner and proportions as the directors shall think fit and shall notify the proposing transferor accordingly and the provisions of this article shall apply mutatis mutandis to all the employees who wish to purchase shares except that the period for the acceptance by the employees who are offered shall be reduced from 90 to 60 days.
- 6.10 If the directors shall not find an employee or employees willing to purchase the balance of any Shares under the foregoing provisions within a further period of 60 days the proposing transferor may not transfer the relevant shares and the directors shall refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by paragraphs 6.2 to 6.7 of this Article.
- 6.11 Any member desiring to sell, transfer or otherwise dispose of any shares which he holds constituting less than 1% of the then issued share capital shall give a transfer notice in accordance with Article 6.2 but the transfer notice shall nominate MITIE Group PLC as the transferee and the provisions of paragraphs 6.3, 6.8 and 6.9 of this Article shall not apply to such a transfer.
- 6.12 The directors may decline to register the transfer of a share on which the Company has a lien.
- 6.13 Except as aforesaid, the instrument of transfer of a share shall be signed by or on behalf of the transferor (and in the case of a transfer or a partly paid share also by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer when registered, shall be retained by the Company.
- 6.14 No interest in any share or shares shall be disposed of or created by any means without a transfer of an equivalent number of shares being presented for registration save in circumstances where a transfer of the share or shares concerned would be permitted under the provisions of

paragraphs 6.2 to 6.7 and 6.10 of this Article without the member giving a transfer notice.

7. **Obligatory transfer of Shares**

7.1 For the purpose of this article, the following expressions have the following meaning:

- (a) **"the Group Companies"** means the Company, its Subsidiaries, any holding company of the Company within the meaning of Section 736, Companies Act 1985 and any parent undertaking within the meaning of Section 258, Companies Act 1985 from time to time and any Subsidiary of any such Holding Company; and
- (b) **"Subsidiaries"** means any subsidiaries within the meaning of Section 736, Companies Act 1985 and any subsidiary undertakings within the meaning of Section 258, Companies Act 1985 from time to time and **"Subsidiary"** means any of them.

7.2 If an employee of the Company or any Group Company who is also a member of the Company ceases to be an employee of the Company and all other Group Companies for any reason other than the reasons set out in Article 7.3 or 7.4 then he shall forthwith upon cessation be deemed to have given a transfer notice in accordance with Article 6.2 (if he holds shares constituting 1% of the then issued share capital or more) or in accordance with Article 6.11 (if he holds shares constituting less than 1% of the then issued share capital) specifying all of the shares in the Company held by him and the provisions of this Article shall likewise apply to any Privileged Relation of such an Employee Shareholder (who is not himself or herself an employee) and the trustees of a Family Trust of such Employee Shareholder from whom they received shares in the Company when such member's spouse ceases to be an employee of the Company and all other Group Companies in the circumstances set down in this Article 7.2.

7.3 If an employee of the Company or any Group Company who is also a member of the Company ceases to be an employee of the Company and all other Group Companies because he or she has attained normal retirement age or because of physical and/or mental incapacity (and in the case of physical and/or mental incapacity he shall produce within 14 days of such cessation to the relevant company certificates from 2 independent medical practitioners that he by reason of such incapacity is unable to perform his duties under his contract of employment with the relevant company and that he is unlikely to be able to resume such duties for a period at least one year) then he shall forthwith upon such retirement or production of medical certificates (as appropriate) be deemed to have given a transfer notice in accordance with Article 6.2 (if he holds shares constituting 1% of the then issued share capital or

more) or in accordance with Article 6.10 (if he holds shares constituting less than 1% of the then issued share capital) and the offer price for such shares shall be the offer price specified in Article 6.4(b) and the provisions of this Article shall likewise apply to any member who is the spouse of an employee (who is not himself or herself an employee) when such member's spouse ceases to be an employee of the Company and all other Group Companies in the circumstances set down in this Article 7.3.

- 7.4 If a member dies testate or intestate or a bankruptcy order is made against him or if he makes an application to Court for an interim bankruptcy order then his personal representatives forthwith upon appointment as such in the case of death, and the trustee in bankruptcy forthwith upon appointment in the case of bankruptcy or the member forthwith upon an application to Court for an interim order shall be deemed to have given a transfer notice in accordance with Article 6.2 (if he holds shares constituting 1% of the then issued share capital or more) or in accordance with Article 6.10 (if he holds shares constituting less than 1% of the then issued share capital) specifying all of the shares held by him, but in the case of death the offer price shall be the offer price specified in Article 6.4(b) provided that the deceased member acquired his shares 2 years or more before his death and if the deceased member has held his shares for less than three years then the Profits referred to in Article 6.4(b).

8. Limitation on transfer of control

- 8.1 No sale or transfer by MITIE Group PLC of any interest in shares held by it representing 10% or more of the entire issued share capital of the Company shall be made or registered unless an Approved Offer is made.

- 8.2 Any transfer of shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these Articles. No transfer of shares pursuant to an Approved Offer shall be permitted unless such Approved Offer is from a person or persons who are independent third parties acting in good faith and at arm's length.

8.3

- (a) If the holders of at least 90% of the equity shares in the Company intend to sell all of such shares held by them (the shares to be sold being referred to as "**the Selling Shares**") the sellers shall have the right to give to the Company not less than 14 days notice in advance before selling the Selling Shares. That notice ("**the Selling Notice**") shall include details of the Selling Shares and the proposed price for each Selling Share including, having regard to the substance of the transaction as a whole, any addition to the price (in cash or otherwise) to be paid by the proposed purchaser and the place, date and time of

Completion ("**Completion**") of the proposed purchase, being a date not less than 14 days from the date of the Selling Notice;

- (b) Immediately upon receipt of the Selling Notice, the Company shall give notice in writing ("**a Compulsory Sale Notice**") to each of the Employee Shareholders who is not a seller, containing the same information as the Selling Notice, requiring them to sell all of their holdings of shares in the Company to the proposed purchaser at Completion upon the same terms as MITIE Group PLC;
- (c) Each Employee Shareholder who is given a Compulsory Sale Notice shall sell all of his shares in the Company at Completion to the proposed purchaser and shall enter into a contract on the same terms in all respects as MITIE Group PLC, subject only to the other sellers completing the sale of the Selling Shares to the proposed purchaser upon the same terms;
- (d) If any Employee Shareholder(s) ("**the Defaulting Shareholder(s)**") fail to comply to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his shares in accordance with this Article 8.3 (including the execution on behalf of the Defaulting Shareholder of any contract relating to the sale of his shares).

8.4 On any sale by the Company of more than 50% of its assets and undertaking (whether by one or a series of transactions) then MITIE Group PLC shall purchase all of the shares in the Company then held by the Employee Shareholders, their Privileged Relations and Family Trusts for a price per share arrived at by adjusting the price received by the Company (net of expenses) for the proportion of the assets and undertaking sold to the price for the entire assets and undertaking and then dividing that amount by the number of equity shares in the Company for the time being in issue to give a price per share.

8.5 No sale of 50% or more of the Company's assets and undertaking (involving one or a series of transactions) may be permitted unless it is to an independent third party acting in good faith and at arm's length.

9. **Charging of Shares**

No member shall without the prior consent of the board of directors directly or indirectly mortgage, charge, pledge or in any other way encumber all or any of his shares.

10. Notices of meetings

- 10.1 Every notice calling a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies.
- 10.2 In Regulation 32 of Table A the words "ordinary resolution" shall be deemed to be replaced by the words "special resolution".

11. Proceedings at general meetings

- 11.1 All business at a general meeting shall be deemed to be special business and shall be notified in the notice convening the meeting.
- 11.2 Regulation 40 in Table A shall be read and construed as if the words "at the time when the meeting proceeds to business" were added at the end of the first sentence.
- 11.3 If within half an hour of the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the same week, at the same time and place or to such other day and at such other time and place as the directors may determine. If at any such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved. Regulation 41 in Table A shall not apply.
- 11.4 The Chairman shall not be entitled to a second or casting vote and Regulation 50 in Table A shall not apply.

12. Directors

- 12.1 There shall be at least 3 directors and the maximum number of directors shall be determined by the Company in general meeting.
- 12.2 The directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 12.3 No person shall be appointed a director at any general meeting unless he is a shareholder in the Company or an employee of a parent company which owns not less than 51% of the shares in the Company and either:
 - (a) he is recommended by the directors; or
 - (b) not less than 14 days nor more than 35 clear days before the date appointed for the general meeting, a notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

- 12.4 Subject to Article 11.3, the Company may by special resolution in General Meeting appoint any other person who is willing to act to be a Director, either to fill a vacancy or as an additional director.
- 12.5 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined as the maximum number of directors for the time being in force.
- 12.6 A director shall automatically retire from office at the annual general meeting following his 70th birthday but shall be eligible for re-appointment. If re-appointed the director shall automatically retire at each subsequent annual general meeting but shall continue to be eligible for re-appointment on an annual basis.
- 12.7 The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge its undertaking, property and uncalled capital or any part of it, and subject to Section 80 of the Act, to issue debentures, debenture stock and other securities outright or as security for any debt, liability or obligation of the Company or of any third party.
- 12.8 A director who pursuant to Regulations 85 and 86 of Table A has declared at a meeting of the directors the nature of his interest in a contract, proposed contract or arrangement with the Company shall be entitled to vote in respect of that contract, proposed contract, or arrangement, or upon any matter arising there out and if he shall do so his vote shall be counted, and he may be taken into account in ascertaining whether or not a quorum is present at the meeting of the directors or the committee at which the vote is taken.
- 12.9 In Regulation 88 of Table A the words "It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom" shall be deemed to be deleted.
- 12.10 The Chairman of a meeting of the directors or of a committee of the directors shall be elected by all the directors (and/or their alternates) *present at the meeting*. The Chairman shall not at any such meeting have a second or casting vote and Regulation 88 of Table A shall be deemed to be modified accordingly.
- 12.11 Not less than 7 days' notice of meetings of the directors shall be given to each of the directors at their address in the United Kingdom whether present in the United Kingdom or not and Regulation 88 of Table A shall be deemed to be modified accordingly.
- 12.12 Notice of a meeting of the directors shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting. No business which is not within the direct scope of the agenda shall be put

to the vote at such meeting unless all the directors present otherwise agree.

12.13 Meetings of the directors may be held by conference telephone or similar equipment so long as all participants can hear each other. Such meetings shall be as effective as if the directors had met in person.

12.14 The directors may grant retirement pensions or annuities or other allowances including allowances on death, to any person or to the widow or widower or dependants of any person, in respect of services rendered by him to the Company as Managing director or in any other *executive office or employment under the Company or indirectly as an executive officer or employee of any subsidiary company of the Company or of its holding company (if any)* notwithstanding that he may be or may have been a director of the Company and may make payments towards insurances or trusts for such purposes in respect of such persons and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person. Regulation 87 in Table A shall not apply.

13. **Notices**

13.1 In Regulation 116 of Table A the words "if any, within the United Kingdom" shall be deemed to be deleted.

13.2 The third sentence of Regulation 112 of Table A shall be deemed to be deleted.

14. **Indemnity**

Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which in such capacity he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to them, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act, in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation to them provided that this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act. Regulation 118 in Table A shall not apply.

15. **Winding up**

In a winding up the liquidator may, with the sanction of an extraordinary resolution, distribute all or any of the assets in specie among the holders in such proportions and manner as may be determined by such resolution, provided always that if any such

distribution is proposed to be made otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as set out in Section 111, Insolvency Act 1986 as if such resolution were a special resolution of the type referred to in Section 111(1), Insolvency Act 1986 which has been passed in the circumstances to which that Section applies pursuant to Section 582 of the Act.