

**The Companies Acts 1985 to 2006
Company Limited by Shares**

Company Number SC306747

SPECIAL RESOLUTION

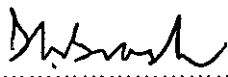
of

**THISTLE PUB COMPANY III PLC
("the Company")**

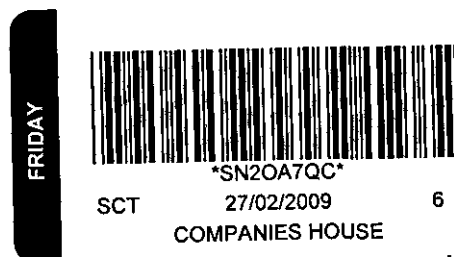
At an Annual General Meeting of the Company held at Tods Murray LLP, 33 Bothwell Street, Glasgow G2 6NL on 19 February 2009 the following Special Resolution was duly passed:-

SPECIAL RESOLUTION

To amend the Articles of Association of the Company by inserting into the Articles of Association a new article 108A in the form set out in the Appendix to the Notice of the AGM.



for Company Secretary



THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES

ARTICLES of ASSOCIATION

of

THISTLE PUB COMPANY III plc

2006

DGB.SKC.M06105.1009

FAS No 7646



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THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THISTLE PUB COMPANY III plc

EXCLUSION OF TABLE A

- 1 No regulations set out in any statute, or in any statutory instrument made under any statute, concerning companies shall apply as regulations or articles of the Company.

INTERPRETATION

- 2 In these articles unless the context otherwise requires:-

"these Articles" means these articles of association as altered from time to time by special resolution and the expression "this Article" shall be construed accordingly;

"the Auditors" means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;

"the Board" means the directors of the Company for the time being as a body or (as the context may require) the board of directors of the Company or the directors present at a meeting of the directors at which a quorum is present;

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

"the Company" means Thistle Pub Company III plc;

"the Companies Acts" means every statute from time to time in force concerning companies in so far as the same applies to the Company;

"the holder" or **"member"** in relation to any shares means the member whose name is entered in the Register as the holder of those shares;

"ICTA" means the Income and Corporation Taxes Act 1988;

"Maclay Group" means Maclay Group plc, its holding company and subsidiary companies (if any), "holding company" and "subsidiary" being construed in accordance with Section 736 of the Companies Act 1985 as amended;

"the Office" means the registered office of the Company;

"Ordinary Shares" means the shares of 50p each in the capital of the Company;

"paid up" means paid up or credited as paid up;

"person entitled by transmission" means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the Register;

"the Relevant Period" means the period commencing with the later of (i) the earliest date on which the Company allots and issues any Ordinary Shares pursuant to offers under the Enterprise Investment Scheme in the tax years ending on 5 April 2007 and 5 April 2008 and (ii) the date on which the Company commences to trade, and ending on the third anniversary of the later of (i) the latest date on which the Company allots and issues any Ordinary Shares pursuant to offers under the Enterprise Investment Scheme in the tax years ending on 5 April 2007 and 5 April 2008 and (ii) the date on which the Company commences to trade;

"the Register" means the register of members of the Company;

"the Secretary" means the secretary, or (if there are joint secretaries) any of the joint secretaries, of the Company and includes an interim or assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary;

"United Kingdom" means Great Britain and Northern Ireland.

References to a document being executed include references to its being executed under hand or under seal or by any other valid method.

References to writing include references to any method of representing or reproducing words in a legible and non-transitory form.

Where for any purpose an ordinary resolution of the Company is required under the provisions of these Articles, a special or extraordinary resolution shall also be effective and where an extraordinary resolution is so expressed to be required a special resolution shall also be effective.

Words or expressions to which a particular meaning is given by the Companies Acts in force when these Articles are adopted bear the same meaning (if not inconsistent with the context) in these Articles save that the word "company" shall include any body corporate.

Words importing the singular number only include the plural and vice versa and words importing the masculine gender only include the feminine.

SHARE CAPITAL

- 3 The authorised share capital of the Company at the date of adoption of these Articles is £5,000,000 divided into 10,000,000 Ordinary Shares of 50p each.

SHARE RIGHTS

- 4 Without prejudice to any special rights or privileges attached to any then existing shares, any new shares may be created upon such terms and conditions, and with such rights and privileges attached thereto, as the Company may by ordinary

resolution decide, or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board shall determine, and in particular such shares may be issued with a preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special, or without any, right of voting.

VARIATION OF RIGHTS

- 5 If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may (subject to the provisions of the Company's memorandum of association and unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons holding or representing by proxy one-third in nominal amount of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.
- 6 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

- 7 Subject to the provisions of the Companies Acts and any restrictions contained in these Articles and to any authority in terms of section 80 of the Companies Act 1985 which may be given by the Company in general meeting, the Board may allot, grant options over, or otherwise dispose of shares or rights to subscribe for, or to convert any security into shares other than shares so allotted to such persons (including a director) and on such terms as they think fit, provided that no share shall be issued at a discount.
- 8
- 8.1 The Board is authorised generally and unconditionally for the purposes of Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (as defined in sub-section 2 of that Section) up to the amount of the authorised but as yet unissued share capital of the Company at the date of adoption of these Articles, such authority to expire on the fifth anniversary of the date of adoption of these Articles (unless previously revoked or renewed) and to allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry provided that such allotments would have fallen within the limit set out in this authority if made during the said period. 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.

- 8.2 The Board is empowered generally and unconditionally to allot equity securities (as defined by Section 94 of the Companies Act 1985) as if Section 89(1) of that Act did not apply to such allotment, such power to expire on the fifth anniversary of the date of adoption of these Articles but so as to allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry.
- 8.3 Subject to the Companies Acts and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.
- 9 Subject to the provisions of the Companies Acts, the Company may purchase all or any of its shares of any class, including any redeemable shares. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Companies Acts and by an extraordinary resolution passed at a separate general meeting of the holders of any shares which at the date on which the contract is authorised by the Company in general meeting entitle them either immediately or any time thereafter to convert all or any of the shares of that class held by them into equity share capital of the Company. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in these Articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company pursuant to this Article.
- 10 The Company shall not be affected by or bound to recognise any equitable, contingent, future or partial interest in any share, or any interests in any fractional part of a share, or (except only as these Articles otherwise expressly provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder thereof. The Company shall be entitled, but shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of holders of such shares as if they were the absolute owners thereof. For the purpose of this Article, "trust" includes any right in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in the case of transmission thereof as are mentioned in these Articles.

CERTIFICATES

- 11 Every person whose name is entered in the Register shall be entitled, without payment, to receive within one month after allotment or lodgement of a transfer in his favour of the shares (or within such other period as the terms of issue shall provide) one certificate for all shares of any one class or several certificates each for one or

more of the shares of the class in question upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time decide. 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 some of the shares comprised in his holding shall be entitled to a certificate for the balance without charge.

- 12 If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating the evidence and preparing the indemnity as the Board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company.
- 13 The Board may by resolution decide, either generally or in any particular case or cases, that any signature on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

LIEN

- 14 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the Company (whether presently or not) in respect of that share. The Company's lien on a share shall extend to all distributions and other amounts payable in respect of it. The Board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.
- 15 The Company may sell, in such manner as the Board may decide, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the shares, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 16 The net proceeds of the sale (after payment of the charges and expenses thereof) by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the holder immediately before the sale. For giving effect to the sale the Board may authorise some person to transfer the shares sold to or in accordance with the directions of the purchaser. The transferee shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

- 17 The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the Company serving upon him at least fourteen clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount

called on his shares. A call may be revoked or postponed as the Board may decide. A person upon whom a call is made shall remain liable for the call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- 18 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 19 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 20 If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Board may decide. He shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of, or in consequence of the non-payment of, such call or instalment. The Board shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.
- 21 Any sum which becomes payable on allotment or on any other date fixed by or in accordance with the terms of issue, whether on account of the nominal amount of the share or by way of premium shall be deemed to be a call made, notified and payable on the date on which, by the terms of issue, it becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call properly made and notified.
- 22 The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
- 23 The Board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent per annum, as the Board may decide. That payment shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced. The member shall not be entitled to participate in respect of the advance in a dividend subsequently declared. The Board may repay at any time the amount so advanced upon giving to such member one month's notice in writing.

FORFEITURE OF SHARES

- 24 If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the Board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued or may accrue thereon and any costs, charges or expenses which may be incurred by the Company by reason of such non-payment.
- 25 The notice shall name a further day (not being less than fourteen clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The Board may accept the

surrender of any shares liable to be forfeited and, in that event, references in these Articles to forfeiture shall include surrender.

- 26 If the requirements of the notice are not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest due and payable in respect of that share has been made, be forfeited by a resolution of the Board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 27 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the shares but no forfeiture shall be invalidated by any omission or neglect to give the notice.
- 28 A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the Board shall decide, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the Board on such terms as the Board may decide.
- 29 A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the forfeited shares, but shall remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of those shares with interest thereon at the rate of 15 per cent per annum (or such lower rate as the Board may decide) from the date of forfeiture until payment in full is received by the Company of all such moneys in respect of the shares, but the Board may waive payment in whole or in part or may enforce payment without being under any obligation to make any allowance for the value of the shares at the date of forfeiture or for any consideration received on their disposal.
- 30 A statutory declaration that the declarant is a director of the Company or the Secretary thereof and that a share has been forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on its sale, re-allotment or disposal and the Board may authorise some person to transfer the share to the person to whom it is sold, re-allotted or disposed of and he shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal. The Board may authorise some person to execute an instrument of transfer of the share on behalf of the person whose share has been forfeited.
- 31 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

- 32 The Company by ordinary resolution may convert all or any of its fully paid up shares into stock of the same class as the shares which shall be so converted and may from

time to time in like manner reconvert such stock into fully paid up shares of the same class and of any denomination.

- 33 When any shares have been converted into stock the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations and restrictions as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will permit. Provided that the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and direct that only that minimum and integral multiples thereof shall be dealt in and direct that fractions of that minimum shall not be transferred. No warrants to bearer shall be issued in respect of any stock.
- 34 The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in profits, and voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the Company, but so that none of such privileges or advantages, (except the participation in dividends and assets of the Company), shall be conferred by any amount of the stock as would not, if existing in shares, have conferred such privileges or advantages. Save as aforesaid, all provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. No such conversion shall affect or prejudice any preference or other special privilege.
- 35 Any ordinary stock may, by special resolution, be subdivided into preferred and deferred sections, and any preferential rights may be attached to the preferred section over the deferred section.
- 36 All the provisions of these Articles (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

SHARE WARRANTS

- 37 The Board may issue warrants ("share warrants") in respect of fully paid up shares stating that the bearer is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants. The Board may determine and from time to time vary the conditions upon which share warrants shall be issued and upon which a new share warrant or coupon shall be issued in the place of one worn out, defaced or destroyed. No new share warrant or coupon shall be issued to replace one that has been lost unless the Board are satisfied beyond reasonable doubt that the original has been destroyed. The Board may also determine and from time to time vary the conditions upon which the bearer of a share warrant shall be entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares therein specified. Subject to such conditions and these Articles the bearer of a share warrant shall be a Member to the full extent. The holder of a share warrant shall hold such warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such warrant.

TRANSFER OF SHARES

- 38 Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the Board may approve.
- 39 The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) 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 of it. All instruments of transfer, when registered, may be retained by the Company.
- 40 The Board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share, or which includes a share which is not fully paid, to a person of whom it does not approve. It may also refuse to register any transfer of shares upon which the Company has a lien.
- 41 The Board may also decline to register a transfer of any shares unless:-
- 41.1 the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- 41.2 the instrument of transfer is in respect of only one class of share;
- 41.3 the instrument of transfer is duly stamped, or adjudged or certified as not chargeable to stamp duty or the Board is otherwise satisfied that no stamp duty is chargeable thereon.
- 42 The Board may also decline to register any transfer of shares to joint holders unless the number of joint holders to whom the share is to be transferred does not exceed four.
- 43 Without prejudice to the terms of Articles 40 to 42, where the Board exercises its discretion to decline to register a transfer of shares, such discretion shall not be exercised in such a way as to prevent dealings in shares taking place on an open and proper basis.
- 44 If the Board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal and (except in the case of fraud or suspected fraud) return the instrument of transfer to the person presenting it.
- 45
- 45.1 No fee shall be charged by the Company for registering any transfer or other document or instruction relating to or affecting the title to any share or for making any other entry in the Register.
- 45.2 The transfer books and the Register may be closed during such periods (not exceeding thirty days in any year) as the Board thinks fit (to the extent the same is consistent with the Companies Acts and the Regulations) and notice of such closing shall be given by advertisement in terms of the Companies Acts.

- 46 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 Companies Act 1985 ("Section 212") and is in default for the prescribed period in supplying to the Company the information thereby required, then the Board may in their absolute discretion at any time thereafter by a notice (a "Direction Notice") to such member (which shall be conclusive against such member and its authority shall not be questioned by any person) 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 allotted or issued in respect of such shares) the member shall not be entitled to attend or vote at a general meeting or a meeting of the holders of any class of shares of the Company either personally or by a proxy or, if the member is a corporation, by authorised representative 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. The Company shall send to every other person appearing to be interested in the shares which are subject to a Direction Notice a copy of such Notice at the same time as notice is given to the relevant member, but the failure or omission to do so, or the non-receipt by that person of the copy shall not invalidate or otherwise affect the application of this Article.

Where Default Shares represent at least 0.25% in nominal value of the issued shares of the class concerned the Direction Notice may additionally state that:

- 46.1 in respect of the Default Shares, any sums payable whether in respect of capital or dividend or otherwise shall, except on winding up of the Company, be retained by the Company without any liability to pay interest thereon when such monies are finally paid to the member; and/or
- 46.2 no transfer of any of the shares held by such member shall be registered unless:-
- 46.2.1 the member is not himself in default as regards supplying the information requested and the transfer is of part only of the member's holding which when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry that member is satisfied that no person in default as regards supplying information is interested in any of the shares the subject of the transfer; or
- 46.2.2 the transfer is an approved transfer

Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which the Direction Notice is issued continues and (unless the Board otherwise determine) for a period of one week thereafter but shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer. The Board may at any time give notice cancelling the Direction Notice.

For the purpose of this Article:-

- (i) 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 Section 212 which either (i) names such person as being so interested or (ii) fails to establish the identities of those interested in the shares and (after taking account of the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the

person in question is or may be interested in the shares and "interested" shall be construed as if it is for the purposes of Section 212;

- (ii) the "prescribed period" in respect of any particular member is 28 days from the date of service of the said notice under Section 212 except where the Default Shares represent at least 0.25% in nominal value of the issued shares of the class concerned in which case the prescribed period shall be reduced to 14 days from such date; and
- (iii) a transfer of shares is an "approved transfer" if, but only if:-
 - 1) it is a transfer of shares to an offeror by way or in pursuance of acceptance of an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them; or
 - 2) the Board is satisfied that the transfer was made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the transferring member and/or with any other person appearing to be interested in such shares. For the purpose of this sub-paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares; or
 - 3) the transfer results from a sale made through any recognised investment exchange or recognised clearing house or other stock exchange or market outside the United Kingdom in which the Company's shares are normally traded.

The Company shall keep a register in respect of information as to beneficial ownership provided to it under this Article and shall operate such register in like manner as it is required to do under the statutes in relation to the register recording notification of interests in shares.

Nothing contained in this Article shall limit the power of the Company and/or the directors of the Company under Section 216 of the Companies Act 1985.

- 47 The Board shall have the option to refuse to register any transfer of any share during the Relevant Period if such registration would result in the Company being a 51% subsidiary of another company (as defined in Section 838 of ICTA) or under the control of another company (as defined by Section 840 of ICTA) (or of another company and any other person connected with the other company as defined in Section 839 of ICTA) without being a 51% subsidiary of that other company (as defined in section 312(1) of ICTA).
- 48 For all purposes of these Articles relating to the registration of transfer of shares, any renunciation in terms of Article 8.3 shall be deemed to be a transfer and the Board shall have the same power of refusing to give effect thereto by renunciation as if the renunciation were a transfer.

TRANSMISSION OF SHARES

- 49 If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares; but nothing contained in these Articles shall release the estate of a deceased holder from any liability (whether sole or joint) in respect of any share held by him solely or jointly with other persons.
- 50 Subject to any other provisions of these Articles, where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof, cause the entitlement of that person to be noted in the Register.
- 51 Any person entitled by transmission to a share may, subject as provided elsewhere in these Articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share in favour of that person. The Board may at any time give notice requiring the person entitled by transmission to a share to elect either to be registered himself or to transfer the share. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred. If he fails either to transfer the share or to elect to be registered as the holder himself within sixty days of being required to do so by the Board, he shall (in the case of shares which are fully paid up) be deemed to have elected to be registered as holder himself and may be registered accordingly.
- 52 Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and, subject to Article 143 hereof, he shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to receive notices or attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company.

ALTERATION OF SHARE CAPITAL

- 53 The Company may from time to time by ordinary resolution:-
- 53.1 increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- 53.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 53.3 subject to the provisions of the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and so that the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and

- 53.4 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 share capital by the amount of the shares so cancelled.
- 54 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members and the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.
- 55 Subject to the provisions of the Companies Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

GENERAL MEETINGS

- 56 Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.
- 57 The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.
- 58 The Board may convene an extraordinary general meeting whenever it thinks fit and, upon receipt of a requisition of members pursuant to the provisions of the Companies Acts, shall forthwith proceed to do so for a date not later than six weeks after deposit of the requisition at the Office.
- 59 If at any time there are not within the United Kingdom sufficient directors to form a quorum, any director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

- 60 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 shall be called by not less than fourteen clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and, in the case of an annual general meeting, shall specify the meeting as such. The notice shall also state with reasonable prominence that a member entitled to attend and vote thereat is entitled to appoint a proxy, who need not also be a member, to attend and vote instead of him. In the case of special business, the notice must state the general nature of such business, and, in the case of a meeting convened for passing a special or extraordinary resolution, the intention to propose such resolution as a special or extraordinary resolution as the case may be. Notice of every general meeting shall be given to all members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to the Board and also to the Auditors or, if more than one, each of them.

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, it shall be deemed to have been properly called if it is so agreed:-

- 60.1 in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- 60.2 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 95 per cent, in nominal value of the shares giving that right.
- 61 A notice of general meeting may specify a time, being not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. Changes made to entries on the Register after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 62 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive the notice shall not invalidate the proceedings at that meeting.
- 63 For the purposes of giving notice of any general meeting to members the directors may determine that the members in respect of such shares entitled to receive such notices are those persons entered on the Register at the close of business on a day determined by them, such day not being more than 21 days before the date that the notice of general meeting was dispatched.

PROCEEDINGS AT GENERAL MEETINGS

- 64 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, being a member, shall be a quorum.
- 65 If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.
- 66 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 chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman 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 shall appoint one of their number to be chairman.

- 67 A director (notwithstanding that he is not a member) shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the Company.
- 68 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 except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of that adjourned meeting shall be given as in the case of an original meeting.
- 69 Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

- 70 At any general meeting a resolution put to the vote of the 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 properly demanded. Subject to the Companies Acts, a poll may be demanded by:-
- 70.1 the chairman of the meeting, or
- 70.2 at least two members present in person or by proxy and entitled to vote or, if fewer, a majority of the members present in person or by proxy and entitled to vote, or
- 70.3 any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting, or
- 70.4 any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so 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 shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

- 71 If a poll is properly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 72 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

- 73 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.
- 74 On a poll votes may be given either personally or by proxy.
- 75 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional or casting vote.
- 76 On a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not himself being a member entitled to vote at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- 77 In the case of joint holders of a share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting either personally or by proxy that one of them whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.
- 78 A member in respect of whom an order has been made by any competent court on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy. In order to vote at the meeting or the adjourned meeting at which the right to vote is to be exercised evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered at the Office (or at such other place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy could be so delivered in order to be valid and in default the right to vote shall not be exercisable.
- 79 No member shall, unless the Board otherwise decides, be entitled to vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 80 If:-
- 80.1 any objection shall be raised to the qualification of any voter or
- 80.2 any votes have been counted which ought not to have been counted or which might have been rejected or
- 80.3 any votes are not counted which ought to have been counted,
- the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or

tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

PROXIES

- 81 An instrument appointing a proxy shall be in writing under the hand of the appointor or 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 it. The Board may, but shall not be bound to require evidence of the authority of such person. A proxy need not be a member of the Company.
- 82 The instrument appointing a proxy and (if required by the Board) any power of attorney or authority under which it is executed or an extract of such power of attorney or authority from the Books of Council and Session or a copy of the power of attorney or authority, certified notarially or in some other manner approved by the Board, may be delivered to the Office (or to 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 accompanying such notice) not less than forty-eight 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 the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of the date of its execution) shall be treated as replacing and revoking the others as regards that share: if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.
- 83 No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
- 84 Instruments of proxy shall be in any usual form or in such other form as the Board may approve and the Board may, if it thinks fit, but subject to the provisions of the Companies Acts, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates. The instrument of proxy must be witnessed.
- 85 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority (whether by reason of death, insanity or revocation) of the person voting or demanding a poll or transfer of the shares in respect of which the vote is given unless notice in writing of the determination or transfer was received by the Company at the Office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) twenty four hours at least before the commencement of the meeting or

adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

DIRECTORS

- 86 Unless otherwise determined by ordinary resolution of the Company, the directors (disregarding alternate directors) shall be not less than two nor more than five in number.
- 87 No shareholding qualification for directors shall be required.
- 88 Subject to the provisions of these Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.
- 89 Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these Articles to appoint any person (not disqualified for appointment under the Companies Acts or these Articles) to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any director so appointed shall hold office until the next following annual general meeting.
- 90 The Company may by ordinary resolution, of which special notice has been given in accordance with the provisions of the Companies Acts, remove any director from office at any time (but so that such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company) and may by ordinary resolution appoint any person in his stead, without prejudice to the powers of the directors under the previous Article.
- 91 No person other than a director retiring at the meeting shall be appointed or reappointed a director at any general meeting unless not less than seven nor more than thirty-five clear days before the day appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the Secretary of the intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed.
- 92 A director who retires at an annual general meeting may, if willing to continue to act, be reappointed. If he is not reappointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.
- 93
- 93.1 Each director (other than an alternate director) shall have the power to appoint any person willing to act to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointer and delivered

to the Office or tendered at a meeting of the Board, or in any other manner approved by the Board. If his appointer so requests and provides an address within the United Kingdom for him, an alternate director shall be entitled to receive notice of all meetings of the Board or of committees of the Board of which his appointer is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and at such meeting to exercise and discharge all the functions, powers and duties of his appointer as a director and for the purposes of the proceedings at the meeting the provisions of these Articles shall apply as if he were a director.

- 93.2 Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.
- 93.3 Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director. Execution by an alternate director of any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointer.
- 93.4 An alternate director shall *ipso facto* cease to be an alternate director if his appointer ceases for any reason to be a director.

DISQUALIFICATION OF DIRECTORS

- 94 The office of a director shall be vacated if:-
- 94.1 not being an executive director whose contract precludes resignation, he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board; or
- 94.2 he becomes of unsound mind or a patient for any purpose of any statute relating to mental health or becomes mentally or physically incapable of performing the functions of a director and, in any such case, the Board resolves that his office is vacated; or
- 94.3 he is absent without permission of the Board from meetings of the Board for six consecutive months and the Board resolves that his office is vacated; or
- 94.4 he is sequestrated, becomes bankrupt or has a receiving order made against him or compounds with his creditors generally; or
- 94.5 he is prohibited by law from being a director; or
- 94.6 he ceases to be a director by virtue of the Companies Acts, is removed from office pursuant to these Articles; or is requested in writing by the Board to resign his office.

EXECUTIVE DIRECTORS

- 95 The Board may from time to time appoint one or more of its body to hold any employment or executive office with the Company (including that of chairman, vice-chairman, managing director, joint managing director, assistant managing director or manager or any other salaried office) for such period (subject to the provisions of the Companies Acts and these Articles) and upon such other terms as the Board may decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide, either in addition to or in lieu of his remuneration as a director.
- 96 The directors may entrust to and confer upon a director holding such executive office as aforesaid any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary at or any of such powers.

DIRECTORS' REMUNERATION AND EXPENSES

- 97 The directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
- 98 Any director who performs services which in the opinion of the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine in addition to any remuneration provided for by or pursuant to any other Article.
- 99 Each director shall be entitled to be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director.

DIRECTORS' INTERESTS

- 100 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).
- 101 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 offices 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 and in such case each of the directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any

such other company as aforesaid) where the other company is a company in which the director owns one (1) per cent or more of the issued share capital.

- 102 Subject to the Companies Acts and to the following Article, 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. No contract or arrangement in which any director is in any way interested shall 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.
- 103 A director who to his knowledge is in any way, whether directly 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 taken into consideration, 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. A general notice to the Board given by a director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made. A notice shall not be effective unless either it is given at a meeting of the Board or the director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- 104 Without prejudice to the generality of the preceding Article, any director of the Company who may at any time be (i) a director of Maclay Group plc (or any company in its group) or (ii) the beneficial owner of any shares in Maclay Group plc (or any company in its group) shall not be counted in the quorum or vote when the business of the Board is (a) the appointment of a valuer who is to fix the market value of the Company's issued shares or its public house estate or (b) the consideration of any offers, received from Maclay Group plc (or any company in its group), to acquire the whole or substantially the whole of the shares in the Company or the whole or substantially the whole of the Company's public house estate.
- 105 Save as otherwise provided by the Articles, a director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he is to his knowledge, directly or indirectly, materially interested. If he does, his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:
- 105.1 a contract or arrangement for giving to such director any security or indemnity in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
- 105.2 a contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the director has himself guaranteed or secured in whole or in part;
- 105.3 a contract or arrangement by a director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any specified offer or

invitation to members or debenture holders of the Company or any class thereof to the public or any section thereof, or to underwrite any shares, debentures or other securities of the Company;

- 105.4 a proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme or employees share scheme which has been approved by or is conditional upon approval by H M Revenue & Customs which relates both to directors and employees of the Company or of any of its subsidiaries and does not accord to any director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;
- 105.5 any arrangement for insurance for the benefit of the directors or others including the director.
- 106 A company shall be deemed to be a company in which a director owns one per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded and shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprise in any authorised unit trust scheme in which the director is interested only as a unit holder.
- 107 Where a company in which a director holds one per cent or more is materially interested in a transaction, then the director shall also be deemed materially interested in such transaction.
- 108 If any question shall arise at any meeting of the Board as to the materiality of the interest of a director or as to entitlement of any director (in each case other than the chairman of the meeting) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned as known to such director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to him has not been fairly disclosed to the Board.

108A Conflict of Interests

108A.1 If a situation arises in which a director ("the Interested Director") has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company ("Conflict of Interests") the other directors, subject to the other provisions of this Article and in all respects to it being permissible under the Companies Act 2006, may authorise the Conflict of Interests.

108A.2 For the purposes of this Article 108A:-

- 108A.2.1 a Conflict of Interests includes in particular the exploitation of any property, information or opportunity (whether or not the Company could take advantage of such property, information or opportunity);
- 108A.2.2 a Conflict of Interests does not include any conflict of interest arising in relation to a transaction or arrangement between the Interested Director and the Company;
- 108A.2.3 if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest, there shall be no Conflict of Interests.
- 108A.3 At any meeting to authorise the Conflict of Interests, the Interested Director and any other director with a similar interest shall not be counted in the quorum and shall not vote on the resolution.
- 108A.4 The directors may at any meeting to authorise the Conflict of Interests attach such limits and conditions as they may determine and at any subsequent meeting impose additional, or vary existing, limits and conditions as they may determine including, without limitation:-
- 108A.4.1 imposing a strict duty of confidentiality on the Interested Director in addition to any general duties of confidentiality imposed by law;
- 108A.4.2 the exclusion of the Interested Director from attending any meeting to discuss a matter in connection directly or indirectly with the Conflict of Interests; and
- 108A.4.3 not sending any documents or information in connection directly or indirectly with the Conflict of Interests to an Interested Director.
- 108A.5 An Interested Director shall declare the nature and extent of his interest in the situation giving rise to the Conflict of Interests at the first meeting of the Board after he knows he is or is to become interested and a general notice to the Board specifying the nature and extent shall be a sufficient disclosure under this Article.
- 108A.6 Any reference to a Conflict of Interests includes a conflict of interest and duty and a conflict of duties.

POWERS AND DUTIES OF THE BOARD

- 109 Subject to the provisions of the Companies Acts, the memorandum of association of the Company and these Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may pay all expenses incurred in forming and registering the Company and may exercise all such powers of the Company as are not reserved by the Companies Act or these Articles to the Company in general meeting. The alteration of the memorandum of association or these Articles or the

passing of a special resolution shall not invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this Article shall not be limited by any special power given to the Board by any other Article.

110

110.1 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof and, subject to the Companies Acts, to issue debentures, debenture stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

110.1.1 The Board shall restrict the Borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to (i) the amount paid up or credited as paid up on the issued share capital of the Company, added to (ii) the amount standing to the credit of any share premium account, all as shown by the then latest audited balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital and/or share premium account since the date of such audited balance sheet;

110.1.2 "Borrowings" include not only borrowings but also the following except in so far as otherwise taken into account:-

110.1.2.1 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the Group, of any person and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business,

110.1.2.2 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business,

110.1.2.3 the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group,

110.1.2.4 the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group, and

110.1.2.5 any premium payable on repayment of any borrowing or deemed borrowing,

but does not include:-

110.1.2.6 borrowings incurred by any member of the Group for the purpose of repaying within six months of the borrowing the whole or any part of any borrowings of that or any other member of the Group for the time being outstanding, pending their application for that purpose within that period,

110.1.2.7 borrowings incurred by any member of the Group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the Group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured, and

110.1.2.8 a proportion of borrowings of any partly owned subsidiary of the Company, such proportion being that which the issued ordinary share capital which is not for the time being beneficially owned by the Company bears to the whole of the issued ordinary share capital of such partly owned subsidiary;

110.1.3 when the aggregate principal amount of Borrowings required to be taken into account on any particular date is being ascertained, any particular Borrowing then outstanding which is denominated or repayable in a currency other than sterling shall be nationally converted into sterling at the rate of exchange prevailing in London on the day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the day six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the Board, as being the most appropriate rate for the purchase by the Company of the currency in question for sterling on the date in question or, if that is not a business day, on the last business day before the day in question;

110.1.4 where under the terms of any Borrowing the amount of money which would be required to discharge the principal amount of the Borrowing in full if it fell to be repaid (by reason of an event of default or at the option of Company) on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that Borrowing, the amount of that Borrowing to be taken into account shall be the smaller amount;

- 110.1.5 "audited balance sheet" shall mean the latest audited balance sheet of the Company prepared for the purposes of the Companies Acts unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Companies Acts); and in the latter event "audited balance sheet" shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss accounts respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries;
- 110.1.6 the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Company Acts; if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article; and
- 110.1.7 "the Group" means the Company and its subsidiaries (if any).
- 110.2 A certificate or report by the Auditors as to the amount of any Borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact.
- 110.3 Notwithstanding the foregoing provisions of this Article no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no Borrowing incurred or security given in excess of that limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at or before the time when the Borrowing was incurred or security given that the limit had been or was thereby exceeded.
- 111 The Board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than the power to borrow and make calls), with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made upon such terms and subject to such conditions as the Board may decide and the Board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.
- 112 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies. They may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the

losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities. They may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, managing director or managers of any such subsidiary company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise). A director may retain any remuneration payable to him in respect of the appointment.

- 113 The Board shall cause minutes or records to be made in books provided for the purpose:-
- 113.1 of the names of the directors present at each meeting of the Board or committee of the Board;
- 113.2 of all appointments of officers made by the directors; and
- 113.3 of all resolutions and proceedings at all meetings of the Company and of the holders of any class of shares in the Company and of the Board and of any committee of the Board.

Any minute of any meeting of the Company or of the holders of any class of shares in the Company or of the board or of any committee of the Board if signed by any person purporting to be chairman of such meeting (or by the chairman of the next succeeding meeting of the Company, holders of any class of shares in the Company, the Board, or a committee of the Board) shall be receivable in evidence of the matters stated in such minute without further proof.

- 114 The Board may procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, benefits or emoluments to, any person (including directors and other officers whether of the Company or of any other company referred to in this Article) who is or has been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary company or of any allied or associated companies of the Company or any such companies or of the spouses, widows, widowers, families, dependants or connections of any such persons. No pensions, annuity or other allowances or benefit (except as provided for by any other Article) shall be granted to a director or former director who has been an executive director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as relation, connection or dependant of such a director or former director without the approval of an ordinary resolution of the Company.
- 115 The Board may establish, maintain and give effect to any scheme approved by an ordinary resolution for the allotment of or the grant of options to subscribe for shares of the Company to persons (including directors) in the employment of the Company or any subsidiary of the Company and may exercise all the powers conferred on them by the scheme (including any power to alter or add to its provisions). These Articles shall be deemed to be modified so far as may be necessary to give effect to the scheme in respect of any shares in issue or under option.

- 116 The Board may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other Company.
- 117 The Board may appoint any person to an office or employment having a title including the word "director" or attach such title to any existing employment with the Company and may terminate the appointment or use of the title. The inclusion of the word "director" in the title of any office or employment does not imply that the employee is a director and the employee shall not as a result be empowered in any respect to act as a director or be deemed to be a director for any of the purposes of these Articles.

PROCEEDINGS OF THE BOARD

- 118 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the Secretary at the request of a director at any time shall, summon a board meeting.
- 119 Notice of a board meeting shall be deemed to be properly 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 absent or intending to be absent from the United Kingdom may request that notice of Board meetings during his absence shall be sent in writing to him at his last known address or any other address given by him to the Company for this purpose. In the absence of any such request it shall not be necessary to give notice of a Board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.
- 120 The quorum necessary for the transaction of the business of the Board shall be two. Subject to the provisions of these Articles, any director who ceases to be a director at a Board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the Board meeting if no other director objects and if otherwise a quorum of directors would not be present. In the event that a Board meeting is inquorate then it shall stand adjourned for one week to the same time and place and at such meeting any two directors shall be a quorum. Notwithstanding any other provisions of these Articles where director(s) of the Company are conflicted under these Articles in regards to a resolution of the Board to the extent that there is only one director who is not so conflicted, then that remaining one director shall be a quorum of the Board and vote in respect of that resolution.
- 121 The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number 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 or of summoning general meetings of the Company but not for any other purpose. If there are no directors able or willing to act then any two members may summon a general meeting of members for the purpose of appointing directors.
- 122 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.
- 123 A meeting of the Board or any committee thereof may, subject to notice thereof having been given in accordance with these Articles, be for all purposes deemed to

be held when directors are in simultaneous communication with each other by telephone or by any means of audio visual communication, if all the directors of the Company agree to treat the meeting as so held, and the number of directors participating in such communication constitutes the quorum of directors which would otherwise be required by these Articles to be present at the meeting. The meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

- 124 The Board may appoint a chairman and deputy chairman or deputy chairmen and fix the period for which they are respectively to hold office and may revoke any such appointment. The chairman, if present and willing to preside, whom failing the deputy chairman, if present and willing to preside, or (if more than one) the deputy chairman who (of the deputy chairmen present) has continuously held office as deputy chairman longest, who is present and willing to preside, shall preside at any meeting of the Board. If no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is willing to preside or none is present within five minutes after the time appointed for the meeting, the directors present may choose one of their number to be chairman of the meeting.
- 125 Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have an additional or casting vote.
- 126 The Board may delegate any of its powers, authorities and discretions to any committee, consisting of such person or persons (being a member or members of its body) as it thinks fit and may revoke any such delegation and discharge any such committee in whole or in part. Any committee so formed shall, in the exercise of the powers, authorities and discretion so delegated, conform to any regulations which may be imposed on it by the Board.
- 127 The meetings and proceedings of any committee consisting of two or more members 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 or modified by any regulations imposed by the Board under the last preceding Article.
- 128 A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of the Board (if 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 the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned. For the purpose of this Article, the signature of an alternate director (if any) entitled to notice of a meeting of directors shall suffice in lieu of the signature of the director appointing him.
- 129 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 or committee or person so acting or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed, was qualified, had continued to be a director or member of the committee, and had been entitled to vote.

SECRETARY

- 130 Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by it.
- 131 Any provision of these Articles or the Companies Acts 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 as both director and as, or in the place of, the Secretary.

AUTHENTICATION OF DOCUMENTS

- 132 Any director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including these Articles and extracts therefrom) and any resolutions passed by the Company or by the holders of any class of shares in the Company or by the Board or by any committee of the Board and any books, records, documents or accounts or extracts therefrom as true copies or extracts; and where any books, records documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

DIVIDENDS AND OTHER PAYMENTS

- 133 The Company may by ordinary resolution declare dividends, provided that no such dividend shall exceed the amount recommended by the Board.
- 134 The profits of the Company available for dividend and resolved to be distribute shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.
- 135 No dividend shall be payable except out of the profits of the Company (including profits set aside to any reserve fund in terms of Article 149 hereof).
- 136 All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- 137 The Board shall transfer to share premium account as required by the Companies Acts sums equal to the amount or value of any premium, at which any shares of the Company are issued.
- 138 The Board may if they think fit from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company. If the capital of the Company is divided into different classes of shares the Board may pay such interim dividends in respect of those shares which confer on the holders deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights with regard to dividends. Provided

that the Board act bona fide they shall not incur any responsibility to the holder of any shares for any damage that they may suffer by reason of the payment of an interim dividend on any shares. The Board may also pay half yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

- 139 The Company in any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient. In particular they may issue certificates in respect of fractions and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of that value in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.
- 140 The Board may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
- 141 No unpaid dividend, bonus or interest shall bear interest as against the Company.
- 142 The Board may retain any dividends and bonuses payable on shares on which the Company has a lien permitted by the Companies Acts and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 143 The Board may retain the dividends and bonuses payable upon shares in respect of which any person is, under the provisions of these Articles relating to the transmission of shares, entitled to become a member, or which any person under those provisions is entitled to transfer, until such person becomes a member in respect of such shares or duly transfers them.
- 144 Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or by direct bank transfer to such bank account as such member or person entitled thereto may direct, and in case of joint holders to any one of such joint holders or to such person and such address or such bank account as the holder or joint holders may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the holder or joint holders may direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money it represents.
- 145 If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other monies payable or in respect of the share.
- 146 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and all dividends unclaimed for twelve years after having been declared shall, unless the Board otherwise resolve, be forfeited and revert to the Company.

SCRIP DIVIDENDS

- 147 The Board may, if authorised by an ordinary resolution, offer any holders of Ordinary Shares one or more of the following options:-
- 147.1 instead of taking the net cash amount due to them in respect of all or any part (to be determined by the Board) of any dividend declared or payable on any Ordinary Shares held by them, either to invest the cash in subscribing for unissued Ordinary Shares, payable in full or by instalments, or in paying up in full or by instalments any unpaid or partly paid Ordinary Shares held by them; or
- 147.2 instead of taking the net cash amount due to them in respect of all or any part (to be determined by the Board) of any dividend declared or payable on any Ordinary Share held by them, to elect to receive new Ordinary Shares credited as fully paid; or
- 147.3 to forego their entitlement to all or any part (to be determined by the Board) of any dividend declared or payable on any Ordinary Shares held by them to take instead fully paid bonus Ordinary Shares; or
- 147.4 any other option in respect of all or any part (to be determined by the Board) of any dividend of any Ordinary Shares held by them as the Board determine.
- 148 In relation to the above options, the following provisions apply:-
- 148.1 the ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period;
- 148.2 the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be, as nearly as possible, equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that the holder elects to forego. In calculating the entitlement, the Board may, at their discretion, adjust the figure obtained by dividing the relevant value by the amount payable on the Ordinary Shares up or down so as to procure that the entitlement of each shareholder to new Ordinary Shares is represented by a simple numerical ratio. For this purpose, "relevant value" shall be calculated by reference to the market value of the shares to be allotted to be calculated on the basis of a sale between a willing seller and a willing purchaser at the date of declaration by the Company of the dividend and shall be certified by the Company's then auditors (and the auditor's cost shall be borne by the Company) and in so certifying the auditors shall act as expert and not as arbiter and the auditors decision shall be final;
- 148.3 on or as soon as practicable after announcing that they are to declare or recommend any dividend the Board, if they intend to offer an election in respect of that dividend, shall also announce that intention and shall, after determining the basis of allotment if they decide to proceed with the offer, notify the holders of Ordinary Shares in writing of the right of elections offered to them and specify the procedure to be followed and the place at which and the latest time by which elections must be lodged in order for elections to be effective;
- 148.4 the Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
- 148.5 the dividend (or part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made (the "Elected Ordinary Shares") and instead additional Ordinary Shares

shall be allotted to the holders of the Elected Ordinary Shares on the basis of allotment calculated as stated above. For this purpose the Board may capitalise, out of any amount standing to the credit of any reserve or fund (including the profit and loss account, share premium account, capital redemption reserve or any other undistributable reserve) whether or not it is available for distribution as the Board determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the Elected Ordinary Shares on that basis;

- 148.6 the additional Ordinary Shares when allotted shall rank *pari passu* in all respects with the fully paid Ordinary Shares then in issue except that they will not be entitled to participate in the relevant dividend or in that part of the dividend in respect of which the right of election was offered;
- 148.7 the Board may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all future rights offered to that holder under this Article until the election mandates revoked or deemed to be revoked in accordance with the procedures;
- 148.8 the Board may undertake and do such acts and things as they consider necessary or expedient for the purpose of giving effect to this Article including (without limitation) making such provisions as they think fit in relation to any fraction of any Ordinary Share which may or would arise from the application of this Article (including provisions whereby, in whole or in part, fractional entitlements are disregarded and the benefits of them accrues to the Company rather than to the shareholders concerned or under which fractional entitlements are accrued or retained and in each case accumulated on behalf of any shareholder and the accruals or retentions are applied to the allotment of fully paid Ordinary Shares by way of bonus to, or cash subscription on behalf of, the shareholder).

RESERVES

- 149 Subject to the Companies Acts, the Board may in its discretion, before recommending any dividend or making any distribution of profits, set aside out of the profits of the Company available for distribution such sums as it thinks proper and carry them to a revenue reserve fund which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company available for distribution may be properly applied and pending such application may 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.

CAPITALISATION OF PROFITS

- 150 The Company may, upon the recommendation of the Board, at any time and from time to time resolve by ordinary resolution that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the revenue account, share premium account and capital redemption reserve) or to the credit of the profit and loss account or otherwise available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid

on any shares in the Company held by those members respectively or in paying up in full unissued shares, debentures or other securities or obligations of the Company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company and the Board shall give effect to such resolution.

- 151 Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the matter as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively credited as fully paid up of any further shares, debentures or other securities or obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

RECORD DATES

- 152 Notwithstanding any other provision of these Articles 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 the dividend, distribution, allotment or issue is declared, paid or made.

DISCOVERY AND SECRECY

- 153 No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which relates to the conduct of the business of the Company, and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

ACCOUNTING RECORDS AND ACCOUNTS

- 154 The Board shall cause true accounts to be kept:-
- 154.1 of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
- 154.2 of all sales and purchases of goods by the Company; and
- 154.3 of the assets and liabilities of the Company.
- 155 The accounting records shall be kept at the Office or, subject to the provisions of the Companies Acts, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No member in his capacity as such 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 or by ordinary resolution of the Company.

- 156 The Board shall not be bound, unless expressly instructed so to do by an extraordinary resolution of the Company in general meeting, to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any member.
- 157 Once at least in every year the Board shall lay before the Company in general meeting a profit and loss account giving a true and fair view of the profit and loss of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date at which it is made out and containing a general summary of the capital, the assets and the liabilities of the Company arranged under suitable heads, both made up to a date not more than seven months before the meeting. If the Company shall be a holding company as defined by the Companies Acts there shall with the said profit and loss account and balance sheet also (except in so far as the Companies Acts otherwise permit) be laid before the Company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the Company's financial year of the Company and its then subsidiaries and a consolidated profit and loss account dealing with the profit and loss for the Company's financial year of the Company and its then subsidiary undertakings. The Board shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Companies Acts.
- 158 Every such balance sheet, profit and loss account, consolidated balance sheet and consolidated profit and loss account shall be signed in such manner as may be required by the Companies Acts. There shall also be attached to the balance sheet a report by the Board as required by the Companies Acts.
- 159 A printed copy of every revenue account and balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the directors' and auditors' reports shall, at least twenty one days before the meeting, be delivered or sent by post to the registered address of every member and to every holder of debentures or debenture stock of the Company of whose address the Company is aware, or, in the case of joint holders of any share or debenture, to one of the joint holders or addressed in any other manner which such member or holders as appropriate may have directed in writing. Any want of compliance with this Article shall not invalidate any of the proceedings at the relevant meeting and nothing shall require a copy of these documents to be sent to any person of whose address the Company is unaware. The Company may, in accordance with the Companies Acts or any regulations made thereunder, send a summary financial statement to any member instead of or in addition to the documents referred to in this Article.

SERVICE OF NOTICES AND OTHER DOCUMENTS

- 160 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 addressed to the member at his address as shown in the Register. In the case of joint holders of a share, service or delivery of any notice or other document on or to that one of the joint holders whose name appears first in the Register shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 161 A member shall be entitled to receive notices from the Company notwithstanding that his address as appearing in the Register is outside the United Kingdom.

- 162 Any notice or other document, if sent by post, shall be deemed to have been served or delivered at the expiration of twenty four hours after the time it was put in the post and, in proving 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 not sent by post but left at the Office or an address as shown in the Register (as the case may be) shall be deemed to have been served or delivered on the day it was so left.
- 163 Any notice requiring to be given by the Company to members and not expressly provided for by these Articles shall be sufficiently given if given by advertisement. Any notice required to be or which any be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which such advertisement appears. If by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by notice advertised in at least two leading newspapers with appropriate circulation one of which shall be a leading daily newspaper. The notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least forty eight hours prior to the meeting posting of notices to addresses within the United Kingdom again becomes practicable
- 164 Every person who by operation of law, transfer or other means shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the Register, shall have been duly given to the person from whom he derives his title to such share, other than a notice given under Article 46 or Section 212 of the Companies Act 1985.

DESTRUCTION OF DOCUMENTS

- 165 The Company may destroy:-
- 165.1 any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation or
- 165.2 any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the Company or
- 165.3 any instrument of transfer which has been registered at any time after a period of six years has elapsed from the date of registration or
- 165.4 any other document on the basis of which any entry is made in the Register at any time after a period of six years has elapsed from the date on which the entry was first made in the Register in respect of it

and if the Company so destroys the document in good faith and without the express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any

particulars of it which are recorded in the books or records of the Company were correctly recorded. Nothing contained in this Article shall be construed as imposing upon the Company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this Article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this Article to the destruction of any document include references to its disposal in any manner.

WINDING UP

- 166 Any surplus assets on a liquidation after payment of all debts and satisfaction of all liabilities of the Company shall, subject to the rights of any holders of shares having prior or preferential rights, belong to and be distributed amongst the holders of the Ordinary Shares rateably according to the amounts (excluding any premium) paid up or credited as paid up on such shares.
- 167 If the Company commences liquidation (whether voluntary, under supervision or by the court), the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Companies Acts,
- 167.1 divide among 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, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members and
- 167.2 vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall think fit
- but no member shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

- 168 Save and except so far as the provisions of this Article are avoided by any provisions of the Companies Acts, the Directors, executive Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall to such extent as may for the time being be permitted by the Companies Acts be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts except such (if any) as they shall incur or sustain through their own wilful neglect or default. None of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any monies or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any monies of the Company shall be placed out or invested, or for any other loss or damage which happens in the execution of their offices unless resulting from their own wilful neglect or default respectively

UNTRACED SHAREHOLDERS

- 169.1 The Company shall be entitled to sell at the best price then reasonably obtainable the shares of a member or the shares of any person entitled by transmission if and provided that:-
- 169.1.1 the shares have been in issue throughout the period of twelve years ending on the date of publication of the advertisement referred to in sub paragraph (c) below and during that period at least three dividends have become payable on or in respect of the shares in question;
 - 169.1.2 all dividends or other moneys payable on or in respect of such shares during the period referred to in sub paragraph (a) remain unclaimed;
 - 169.1.3 the Company shall have inserted an advertisement giving notice of the Company's intention to sell the said shares in both a national newspaper and a newspaper circulating in the area of the address of the member on the Register or other last known address given by the member or the person entitled by transmission; and
 - 169.1.4 during the said period of twelve years and the immediately succeeding period of three months following publication of the said advertisement, the Company shall not, so far as the Board are aware at the end of the last mentioned period, have received any indication of the existence of nor any communication from such member or person.
- 169.2 If during the period of twelve years ending on the date of publication of the advertisement referred to in Article 169.1 (c) above further shares have been issued in right of those held at the beginning of that period or in right of any previously so issued during that period and all the requirements of sub paragraphs (b) to (d) of Article 169.1 above have been satisfied in regard to the further shares, the Company may also sell the further shares.
- 169.3 To give effect to any such sale the Company may appoint some person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer or such arrangement shall be as effective as if it has been executed or made by the holder of, or the person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled by transmission for an amount equal to such proceeds and the Company shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds of sale, which may be employed in the business of the Company or as the Board may from time to time think fit.
- 169.4 The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed and the Company has made reasonable enquiry to establish the new address of the member in question and has failed. However, subject to the provisions of these Articles, the Company shall recommence so sending cheques and

warrants in respect of those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.