

Company number: 3374347

**FULHAM FOOTBALL LEISURE LIMITED ('THE COMPANY')**

**WRITTEN RESOLUTION OF THE MEMBERS OF THE COMPANY  
IN LIEU OF A GENERAL MEETING**

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We, the undersigned, being all the Members of the Company having the right to vote at general meetings, or authorised agents of such members, signify our assent to the passing of the resolution set out below under the provisions of Article 53 of Table A of the Companies Act 1985 as incorporated by reference into the Company's Articles of Association to the effect that such resolution shall be deemed to be as effective as if it had been passed at a general meeting of the Company duly called and held:-

**SPECIAL RESOLUTION**

**THAT** the regulations contained in the printed document annexed hereto and initialled for the purpose of identification be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

Signed .....

Signed *W. G.* .....

For and on behalf of Ruxley Holdings  
Limited

For and on behalf of Fulham Leisure  
Holdings Limited

Date .....

Date *18.9.02* .....



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**WRITTEN RESOLUTION OF THE MEMBERS OF THE COMPANY  
IN LIEU OF A GENERAL MEETING**

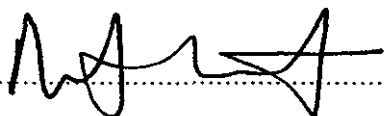
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We, the undersigned, being all the Members of the Company having the right to vote at general meetings, or authorised agents of such members, signify our assent to the passing of the resolution set out below under the provisions of Article 53 of Table A of the Companies Act 1985 as incorporated by reference into the Company's Articles of Association to the effect that such resolution shall be deemed to be as effective as if it had been passed at a general meeting of the Company duly called and held:-

**SPECIAL RESOLUTION**

**THAT** the regulations contained in the printed document annexed hereto and initialled for the purpose of identification be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

Signed.....



For and on behalf of Ruxley Holdings  
Limited

Date.....

18<sup>th</sup> Sept '02

Signed.....

For and on behalf of Fulham Leisure  
Holdings Limited

Date.....

**THE COMPANIES ACT 1985 TO 1989**

**PRIVATE COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION  
OF  
FULHAM FOOTBALL LEISURE LIMITED**

**(Company Number 3374347)**

**(Adopted by Written Resolution on 18 September 2002)**

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**Lewis Silkin  
12 Gough Square  
London  
EC4A 3DW  
T: 020 7074 8000  
Ref: PRL/SEN/78507.1  
Date:**

## **1 PRELIMINARY**

- 1.1 The regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 ("**Regulations**") shall apply to the Company save insofar as they are excluded or modified by or are inconsistent with the regulations hereinafter contained and the regulations contained in Table A and the regulations herein contained shall be the articles of association of the Company ("**Articles**").
- 1.2 The whole of Regulations 24, 25, 40, 41, 51, 52, 54, 64, 65, 73, 74, 75, 80, 82, 89, 94, 95 101 and 118 shall not apply to the Company.

## **2 DEFINITIONS AND INTERPRETATION**

- 2.1 In these Articles the following expressions shall have the following meanings:-

**"Act"**

the Companies Act 1985;

**"A Shares"**

'A' ordinary shares of £1.00 each in the capital of the Company;

**"Auditors"**

the auditors of the Company from time to time;

**"Board"**

the board of directors of the Company (or any duly authorised committee thereof) from time to time;

**"B Shares"**

'B' ordinary shares of £1.00 each in the capital of the Company;

**"Business Day"**

a weekday, other than a Saturday, on which clearing banks are ordinarily open for business in the City of London;

**"Control"**

the presently exercisable power in law or in practice to secure that the day-to-day affairs of the person controlled are conducted in accordance with the wishes of the person or persons controlling the person controlled;

**"Group"**

any member who is a body corporate and its subsidiary undertaking(s) (if any) from time to time and references to "**Group Company**" and "**members of the Group**" shall be construed accordingly;

**“Ordinary Shares”**

means the A Shares and the B Shares;

**“Quotation”**

the admission of the whole of any class of the issued share capital of the Company to trading on the Official List of the United Kingdom Listing Authority or the Alternative Investment Market of the London Stock Exchange or to any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**“Sale”**

the unconditional completion of the sale of the whole of the issued equity share capital of the Company to a single purchaser or to one or more purchasers as part of a single transaction or series of connected transactions;

**“Sale Proceeds”**

the total consideration including, without limitation, any deferred consideration and any other payment or benefit (whether in cash or otherwise) which, having regard to the substance of the transaction as a whole can reasonably be regarded as consideration, payable by a purchaser pursuant to a Sale or a Qualifying Offer;

**“shares”**

shares of whatever class in the capital of the Company;

**“Transfer Notice”**

as defined in Article 6.1.

2.2 In these Articles:

- 2.2.1 references to an Article by number are to the particular Article of these Articles;
- 2.2.2 the paragraph headings are included for convenience only and shall not affect the construction of these Articles;
- 2.2.3 words denoting the singular shall include the plural and vice versa;
- 2.2.4 words denoting any gender shall include a reference to each other gender;
- 2.2.5 references to persons shall include references to natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality);

- 2.2.6 words and expressions defined in the Act shall, where the context so admits, bear the same meanings in these Articles save that the word company shall include any body corporate;
- 2.2.7 reference to any statute or statutory provision, if not inconsistent with the subject or context, shall be construed as references to that statute or statutory provision as respectively amended, consolidated, extended or re-enacted and to any rules, orders, regulations, instruments or other subordinate legislation made thereunder; and
- 2.2.8 "writing" shall include any methods of reproducing words in a legible and non-transitory form including by way of electronic communications where specifically provided in a particular Article or where permitted by the Board in its absolute discretion.
- 2.3 In construing these Articles, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

### **3 SHARE CAPITAL**

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £30,750,000 divided into 30,300,000 A Shares and 450,000 B Shares. Except as expressly provided in these Articles the A Shares and the B Shares shall rank pari passu in all respects.
- 3.2 The provisions of sections 89(1) and 90(1) to 90(6) (inclusive) of the Act shall not apply to the Company.

### **4 RETURN OF CAPITAL RIGHTS**

- 4.1 On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the A Shares and the B Shares so that the holders of the A Shares as a class shall be entitled to 92.5 per cent of any such surplus assets and the holders of the B Shares as a class shall be entitled to 7.5 per cent of any such surplus assets. Each holder of shares shall be entitled to receive in respect of those shares, that proportion of the surplus assets distributable in respect of that class of shares of which he is the holder as equals the

proportion which his holding of shares of that class bears to all shares of that class for the time being in issue (the “**Relevant Proportion**”).

## **5      VARIATION OF CLASS RIGHTS**

- 5.1      Whenever the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied 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 those shares.
- 5.2      All the provisions of these articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every such separate general meeting, except that:
  - 5.2.1      the necessary quorum at any such meeting (other than an adjourned meeting) shall be one person holding or representing by proxy at least one half in nominal amount of the issued shares of the class;
  - 5.2.2      at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;
  - 5.2.3      every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
  - 5.2.4      a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- 5.3      Unless otherwise expressly provided by the terms of their issue the rights attached to any class of shares shall not be deemed to be varied by:
  - 5.3.1      the creation or issue of further shares ranking *pari passu* with them or in priority to them other than any issue which reduces the percentages referred to in Articles 4.1 and 14.1.2; or
  - 5.3.2      any alteration to these articles made conditional upon, or otherwise in connection with, a Quotation which does not adversely affect any income, voting or capital rights attaching to them.
- 5.4      Subject to article 5.3, the Company shall not:

- 5.4.1 alter its articles of association in any way to vary any rights attached to the B Shares;
- 5.4.2 sell, transfer or otherwise dispose of any assets, and shall not permit any subsidiary to dispose of any assets, to any person connected (as defined in section 839 of the Income and Corporation Taxes Act 1988) in any way to the Company (other than to any Group Company) otherwise than on arm's length terms.
- 5.5 On any resolution to amend, abrogate or delete Article 5.4 the votes attached to the holders of B shares voting shall in aggregate be equal to one vote more than all other votes cast on the resolution.

## **6 PRE-EMPTION PROVISIONS**

- 6.1 No B Share shall be transferable except as provided in this Article 6 or pursuant to Articles 7 or 8.
- 6.2 Except pursuant to Articles 7 or 8, a member who wishes to transfer the legal title to, or any other interest in, any B Shares ("**Vendor**") shall give notice in writing of such wish to the Company ("**Transfer Notice**"). Each Transfer Notice shall:
  - 6.2.1 specify the number of shares which the Vendor wishes to transfer (the "**Sale Shares**");
  - 6.2.2 specify the identity of the person (if known) to whom the Vendor wishes to transfer the Sale Shares (the "**Proposed Transferee**");
  - 6.2.3 be deemed to constitute the Company the Vendor's agent for the sale of the Sale Shares at the Sale Price (as defined below) in the manner prescribed by these Articles; and
  - 6.2.4 not be varied or cancelled (without the consent of the Board).
- 6.3 The price ("**Sale Price**") at which the Sale Shares shall be sold shall be that agreed in writing between the Vendor and the Board or, in default of agreement within 10 days of the date of the Transfer Notice, such price as the Auditors (acting as experts and not arbitrators) shall certify as being 7.5% of the Fair Market Value of the entire equity share capital of the Company.
- 6.4 The Fair Market Value shall be determined by the Auditors on the basis of the fair value of the assets and businesses of the Company (including those of any subsidiary), taking into account the following:



- 6.4.1 all representations made by the Vendor, the Board or members of the Company;
  - 6.4.2 the terms of any transactions in shares of the Company effected or contemplated;
  - 6.4.3 the valuation shall be as a going concern;
  - 6.4.4 the valuation shall be at the date of service of the relevant Transfer Notice;
  - 6.4.5 the valuation shall take into account the benefit of all the assets and liabilities of the Company (including the value to the Company of any subsidiary undertaking);
  - 6.4.6 intangible assets (including, without limitation, the goodwill of any business operated by the Company or any subsidiary) and ownership of any name or names shall be taken into account;
  - 6.4.7 contingencies (including contingent or deferred tax liabilities) and provisions shall not be greater or lower than a reasonable estimate of the liability for which such contingency or provision is made, in accordance with the normal accounting provisions of the Company.
- 6.5 The Auditors shall issue a certificate of the Fair Market Value in writing to the Company (an "**Auditors' Certificate**") as soon as reasonably practicable. On receipt of the Auditors' Certificate the Company shall, as soon as is reasonably practicable, notify the Vendor of the Fair Market Value as certified.
- 6.6 The Vendor may at any time within 7 days from the date of such notice pursuant to Article 6.5 notify the Company that he does not wish to proceed with the disposal of the Sale Shares and the Transfer Notice shall thereupon be deemed to be withdrawn in respect of all the Sale Shares.
- 6.7 Upon the Sale Price being agreed or certified as aforesaid, and provided that the Vendor does not serve any notice pursuant to Article 6.5, the following Articles 6.8 to 6.14 shall apply.
- 6.8 If the Board so determines any Sale Shares may be offered to any person or persons selected by the Board at the Sale Price. If such person or persons shall apply within 7 days of the date of such offer for any Sale Shares, the Company shall (conditionally upon and subject to Article 6.9) allocate to such person or persons such number of Sale Shares as the Board shall in its absolute

discretion decide; provided that such number shall not exceed the number applied for by such person or persons. If some but not all the Sale Shares are allocated in accordance with this Article 6.8, the remaining provisions of this Article 6 shall have effect as if reference to Sale Shares mean those not allocated in accordance with this Article 6.8.

6.9 The Vendor may provide in the Transfer Notice that unless purchasers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such shares ("**Minimum Transfer Condition**") and any such provision shall be binding on the Company.

6.10 The Company shall, within seven days of agreement or certification of the Sale Price (or, if later, the date on which any shares are allocated under Article 6.8), give notice to all the holders of Shares (other than the Vendor) of the number and description of the Sale Shares, the Sale Price and the Proposed Transferee (if any). The notice shall invite each of the members to state in writing to the Company within 14 days whether he is willing to purchase any, and if so what maximum number (the "**Maximum**"), of the Sale Shares. The Company shall at the same time give a copy of the notice to the Vendor.

A person who expresses a willingness to purchase Sale Shares is referred to below as a "**Purchaser**".

6.11 On the expiration of the 14 day period referred to in Article 6.10 (or, if earlier, on receipt of replies by all members) the Company shall allocate the Sale Shares to or amongst the Purchasers.

6.12 The Sale Shares shall be allocated pro rata to the votes attributable to shares held and exercisable on a poll had a general meeting been held at that time, but shall not exceed the Maximum which each such holder shall have expressed a willingness to purchase.

6.13 If, following an offer made by the Company under Article 6.10, any of the Sale Shares are not applied for during the time allowed (the "**offer period**"), the Company may by notice in writing (given at any time within the period of seven days after the expiry of the relevant offer period) invite any person or persons selected by the directors to apply for any of the Sale Shares not applied for by the shareholders at the Sale Price. If a person or persons so selected by the directors shall apply within seven days of such invitation for any Sale Shares, the Company shall allocate to him or them such number of Sale Shares as they in their absolute discretion decide.

- 6.14 Notwithstanding the foregoing if the Transfer Notice contains a Minimum Transfer Condition the Company may not make an allocation of Sale Shares unless and until it has found purchasers for the minimum number specified in any Minimum Transfer Condition.
- 6.15 The Company shall forthwith upon allocating any Sale Shares give notice in writing (a "Sale Notice") to the Vendor and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within seven days after the date of the Sale Notice whereupon the Vendor shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the person or persons to whom they have been allocated and deliver the relative share certificates.
- 6.16 If in any case the Vendor, having become bound as aforesaid, makes default in transferring the Sale Shares, the Company may receive such purchase money and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Vendor and thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the Register as the holder of such Sale Shares and where applicable shall hold the purchase money in trust (without interest) for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been entered in the Register in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person.
- 6.17 If all or any of the Sale Shares are not sold under the pre-emption provisions contained in Articles 6.1 to 6.13 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Vendor and the Vendor may at any time, within three calendar months of receiving such notification, transfer any Sale Shares not sold to the Proposed Transferee at any price not less than the Sale Price, provided that:
- 6.17.1 the directors shall be entitled to refuse registration of the Proposed Transferee if he is, or is believed to be, a nominee for a person reasonably considered by the directors to be a competitor or connected with a competitor of the business of a member of the Group;

6.17.2 if the Vendor stipulated in the Transfer Notice a Minimum Transfer Condition which has not been satisfied, the Vendor shall not be entitled, save with consent of the Board, to sell less than the number of Sale Shares specified in the Minimum Transfer Condition; and

6.17.3 any such sale shall be a bona fide sale and the directors may require to be satisfied (in such manner as they may reasonably think fit) that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Sale Price without any deduction, rebate or allowance whatsoever to the Proposed Transferee and if not so satisfied may refuse to register the instrument of transfer.

6.18 Any A Share transferred to a holder of a B Share shall forthwith be deemed to be redesignated as a B Share and vice versa.

## **7 DRAG ALONG**

7.1 For the purposes of this Article 7 the expression "**Qualifying Offer**" shall mean a document in writing delivered to any holder of equity share capital in the Company containing an offer (which is open for acceptance for at least 21 days) to acquire all the Ordinary Shares of the Company in issue. Any disagreement as to whether an offer is a Qualifying Offer shall be referred to an umpire (who shall act as an expert and not as an arbitrator) nominated by the parties concerned (or, in the event of disagreement as to the nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of any of such parties) whose decision shall in the absence of manifest error be final and binding.

7.2 If a Qualifying Offer is made by or on behalf of any person (the "**offeror**") which the holders of not less than 75 per cent of the A Shares then in issue (the "**accepting shareholders**") state that they wish to accept, then the accepting shareholders shall notify the remaining holders of equity share capital (the "**other shareholders**") of the fact of the Qualifying Offer, the identity of the offeror and the offer price.

7.3 If any other shareholder shall not, within seven days of being required to do so by the accepting shareholders, execute and deliver transfers in respect of the shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any accepting shareholder shall be entitled to, and shall be entitled to authorise and instruct such person as he thinks fit to, execute the necessary transfer(s) and indemnities on the other

shareholder's behalf and, against receipt by the Company (on trust for such shareholder) of the purchase monies payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities in lieu thereof to the offeror or his nominee and register such offeror or his nominee as the holder thereof and, after such offeror or his nominee has been registered as the holder, the validity of such proceedings shall not be questioned by any person. As security for the above obligations, each member irrevocably appoints each holder of equity share capital from time to time as its attorney to execute and do all such deeds, documents and things in the name of and on behalf of such member as may reasonably be required to give full effect to the provisions of this Article 7. The other shareholders shall not be required to give any warranties other than (on a several basis) as to capacity and title to the shares held by each of them.

## **8 TAG ALONG**

8.1 This Article 8 applies when a transfer of Ordinary Shares would, if registered, result in a person (other than a shareholder at the date of adoption of these Articles) and/or any other person:

8.1.1 who in relation to him is a connected person (as defined in Section 839 of the Income and Corporation Taxes Act 1998); or

8.1.2 with whom he is acting in concert (as defined in the City Code on Takeovers and Mergers)

(each being a "**member of the purchasing group**") holding shares conferring Control.

8.2 No transfer to which Article 8.1 applies may be made to or registered unless the proposing transferor has first notified each holder of shares (the "**Tag-Along Shareholders**") of such proposed transfer (the "**Tag-Along Notice**"). Each of the Tag-Along Shareholders shall have the right and option for a period of five days after the date of the Tag-Along Notice is given to the Tag-Along Shareholders (the "**Tag-Along Notice Period**") to notify the proposing transferor that they require all (but not part) of their shares in the Company to be included in the proposed sale, and shall deliver to the proposing transferor such certificates and documents as the proposing transferor shall reasonably request to permit the sale of such shares to the proposed transferee.

8.3 The shares held by the Tag-Along Shareholders shall be purchased on the following terms:

8.3.1 the consideration for each Ordinary Share of any class shall be the highest of:

8.3.1.1 the highest consideration offered for each Ordinary Share of that class whose proposed transfer has led to the purchase;  
or

8.3.1.2 the highest consideration paid by any member of the purchasing group for an Ordinary Share of that class in the 12 months up to the purchase;

but so that the aggregate consideration (in whatever form) to be given for the B Shares in aggregate shall be equal to 7.5% of the consideration received in respect of all the shares the subject of the proposed sale. Any disagreement about the consideration to be given to holders of B Shares shall be referred to an umpire and the relevant provisions of Article 7.1 will apply mutatis mutandis;

8.3.2 the Tag-Along Shareholders shall not be required to give any warranties or indemnities other than (on a several basis) as to capacity and title to the shares held by each of them; and

8.3.3 the offer shall include an undertaking by the proposed transferee that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms during the previous 12 months with any other member for the purchase of shares in the Company.

8.4 Any transfer of shares pursuant to this Article 8 shall not be subject to the restrictions in Article 6.

## **9 PROCEEDINGS AT GENERAL MEETINGS**

9.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and, subject to Article 9.2, for its duration. One person entitled to vote upon the business to be transacted, who must be a holder of A Shares, who is a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

9.2 If within half an hour from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in

the next week, at the same time and place, or to such other time and place as the members present may decide and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the member or members present shall constitute a quorum.

- 9.3 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a member entitled to vote.
- 9.4 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting and Regulation 62 shall be modified accordingly.
- 9.5 When a poll has been demanded it shall be taken immediately following the demand.
- 9.6 The Chairman of the meeting shall in the case of an equality of votes, whether on a show of hands or on a poll, be entitled to a second or casting vote.
- 9.7 With respect to any such resolution in writing as is referred to in Regulation 53 of Table A, in the case of a corporation which holds a share, the signature of any director or the secretary thereof shall be sufficient for the purposes of Regulation 53.

## **10 ALTERNATE DIRECTORS**

- 10.1 A director (other than an alternate director) may appoint any other director or any other person approved by resolution of the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed.
- 10.2 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 10.3 Any director of the Company who is appointed an alternate director shall be entitled to vote at a meeting of the Board on behalf of the director so

appointing him as distinct from the vote to which he is entitled in his own capacity as a director of the Company and shall also be considered as two directors for the purpose of making a quorum of directors unless he is the only individual present.

## **11 PROCEEDINGS OF DIRECTORS**

- 11.1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any two directors shall constitute a quorum and a quorum of directors must be present throughout all meetings of the Board. The Chairman of the meeting shall have a second or casting vote, in the case of an equality of votes. A director shall be entitled to vote and be counted in the quorum in respect of any matter, transaction or arrangement in which he has disclosed his interest in accordance with regulation 85 of Table A.
- 11.2 Any director or alternate director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

## **12 RETIREMENT BY ROTATION**

The directors shall not be liable to retire by rotation and the words "by rotation or otherwise" and "and deemed to have been reappointed" in Regulation 67, "other than a director retiring by rotation" in Regulation 76, "(other than a director retiring by rotation at the meeting)" in Regulation 77, "and may also determine the rotation in which any additional directors are to retire" in Regulation 78, the last two sentences of Regulation 79 and the last sentence of Regulation 84 shall not apply to the Company.



### **13 BORROWING POWERS**

The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present or future) and uncalled capital and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

### **14 SALE PROCEEDS**

14.1 In the event of a Sale or a disposal pursuant to a Qualifying Offer, the shareholders shall make payments among themselves or otherwise enter into appropriate arrangements so as to bring about the following result:

14.1.1 the holders of the A Shares shall receive in respect of their Shares as a class an amount equal to 92.5 per cent of the Sale Proceeds; and

14.1.2 the holders of the B Shares shall receive in respect of their Shares as a class an amount equal to 7.5 per cent of the Sale Proceeds.

Any amounts received by a Shareholder otherwise than in accordance with the above shall be held on trust by that Shareholder for the other Shareholders in accordance with their respective entitlements.

14.2 Each holder of shares shall be entitled to receive in respect of his holding of a class of shares, such proportion of the Sale Proceeds as is equal to the Relevant Proportion of the Sale Proceeds receivable by that class of shares in aggregate.

### **15 INDEMNITY**

15.1 Subject to the provisions of the Act but without prejudice to any indemnity to which he may be otherwise entitled every director, alternate director, secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in section 310 of the Act), which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

15.2 The Company may purchase and maintain for any director, other officer or employee of the Company insurance against any liability which by virtue of

any law would attach to him in respect of any negligence, default, breach of duty or breach of trust he may be guilty of in relation to the Company.

- 15.3 For the purpose of this Article 15 no person appointed or employed by the Company as an auditor is an officer of the Company.