

AVALON PLASTICS LIMITED

(Company No. 4932732)

Written resolution pursuant to Section 381A Companies Act 1985

I, being the sole shareholder of the Company at the date of this resolution entitled to attend and vote at general meetings of the Company, hereby pass the following resolution as a written resolution of the Company pursuant to Section 381A Companies Act 1985

ORDINARY RESOLUTION:

1. To convert the single issued ordinary share of £1 into an A ordinary share of £1 having the rights and being subject to the obligations set out in the Articles of Association to be adopted under 4.
2. To convert each of 799,999 unissued ordinary shares of £1 each into A ordinary shares of £1 each having the rights and being subject to the obligations set out in the Articles of Association to be adopted under 4.
3. To convert each of 200,000 unissued ordinary shares of £1 each into B ordinary shares of £1 each having the rights and being subject to the obligations set out in the Articles of Association to be adopted under 4.
4. To adopt in substitution for the existing Articles of Association those annexed to this resolution and initialled by or on behalf of the company.

Dated this

30th

day of

January

2004.


K BUTLER



Company No. 4932732

Dated

2004

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

**(Adopted by Written Resolution
passed on [30 January] 2004**

OF

AVALON PLASTICS LIMITED

*Certified as a true and up to date copy
Of the Articles of Association*


.....
Director

Dated this

30th

day of

January.

2004

OVER TAYLOR BIGGS

4 Cranmere Court

Lustleigh Close

Matford Business Park

Exeter

Devon EX2 8PW

Tel: 01392 823811 / Fax: 01392 823812

1. Interpretation

1.1. The regulations in Table A as for the time being and from time to time prescribed by regulations made by the Secretary of State under the Act (as hereafter defined) shall apply to the Company save as varied in these Articles.

1.2. In these Articles:

- (a) headings are used for convenience only and shall not affect the construction hereof;
- (b) unless the context otherwise requires or does not so admit or, save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification or re-enactment thereof not in force on the date on which these Articles become binding on the Company);
- (c) the following words and expressions shall have the following meanings:

the "Act"	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
"these Articles"	these articles of association as amended from time to time;
"the Board"	the board of directors of the Company from time to time;
"Clear Days"	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Controlling Interest"	the meaning ascribed thereto in article 7.7;
"the Directors"	the directors for the time being of the Company;
"holder"	in relation to Shares means the person whose name is entered in the register of members as the holder of those shares;
"Member"	any holder for the time being of shares in the capital of the Company of whatever class;
the "Office"	the registered office of the Company for the time being;
"Ordinary Shares"	the A Ordinary Shares and the B Ordinary Shares together;

"A Ordinary Shares"	A Ordinary Shares of £1 each in the capital of the Company having the rights set out in these Articles;
"B Ordinary Shares"	B Ordinary Shares of £1 each in the capital of the Company having the rights set out in these Articles;
"Secretary"	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
"Shares"	(unless the context does not so admit) shares in the capital of the Company (of whatever class);
the "United Kingdom"	Great Britain and Northern Ireland.

2. Share capital

- 2.1. The authorised share capital of the Company is £1,000,000 divided into 800,000 A Ordinary Shares of £1 each and 200,000 B Ordinary Shares of £1 each.
- 2.2. Unless otherwise determined by special resolution:
 - (a) subject to Article 2.2(b) and to any directions which may be given by the Company in general meeting, the Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) and without prejudice to the generality of the foregoing any Shares unissued at the date of adoption of these Articles shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no Shares shall be issued at a discount or at a price lower than that at which such Shares were offered to the holders of existing Shares pursuant to the following paragraphs of this Article; and
 - (b) the authority conferred on the Directors by this Article shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles.
- 2.3. The provisions of section 89(1) of the Act shall not apply to the Company.
- 2.4. Unless otherwise determined by the Company by ordinary resolution any Shares for the time being unissued shall, before they are issued, be offered to the existing holders of Ordinary Shares in proportion, as nearly as may be practicable, to the number of existing Ordinary Shares held by them respectively. Such offer shall be made by notice in writing to each such holder specifying the number of Shares offered to him and the subscription price therefor and inviting him to state in writing within such period as the Board may prescribe (being not less than fourteen days after the date of the notice) whether he wishes to accept any, and if so what number, of Shares offered to him and whether he wishes to subscribe for Shares in excess of his

entitlement and, if so, what maximum number. If within such period, such holders have expressed their willingness to accept all or any of the Shares offered to them, such Shares shall be so issued to them accordingly. Any Shares so offered to any such holder and not taken up within such period shall be issued to those holders who have taken up their full entitlement of Shares and who have indicated a willingness to subscribe for further Shares. Any Shares not taken up pursuant to such offer as aforesaid and any Shares released from the provisions of this Article by any such Ordinary Resolution shall be under the control of the Board who may allot, grant options over or otherwise dispose of the same to such persons on such terms and in such manner as it thinks fit provided that in the case of any Shares not disposed of pursuant to such offer as aforesaid, such Shares shall not be disposed of on terms more favourable to the subscribers therefor than the terms on which they were offered to the Company's existing members. The foregoing provisions of this paragraph shall have effect subject to Section 80 of the Act.

3. Share rights

The rights attaching to the respective classes of Shares shall be as follows:

3.1. As regards income:

In respect of any financial year of the Company the profits of the Company for the time being which the Company determines to distribute shall be applied amongst the holders of the Ordinary Shares then in issue *pari passu* according to the number of such shares held by them respectively.

3.2. As regards capital:

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied amongst the holders of the A Ordinary Shares and the B Ordinary Shares then in issue *pari passu* according to the number of such shares held by them respectively.

3.3. As regards voting:

- (a) A Ordinary Shares will confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak and vote at all general meetings of the Company; and
- (b) B Ordinary Shares shall confer on the holder thereof no right to receive notice of or attend, speak or vote at any general meetings of the Company

4. Share transfers

4.1. The instrument of transfer of a Share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect thereof.

4.2. The Directors may refuse to register the transfer of any Share:

- (a) being a Share which is not fully paid, to a person of whom they do not approve;
- (b) on which the Company has a lien;
- (c) unless:
 - (i) it is lodged at the Office or at such other place in England as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - (ii) it is in respect of only one class of Shares; and
 - (iii) it is in favour of not more than 4 transferees;
- (d) to a person who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval.

4.3. The Directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer is:

- (a) a transfer permitted under article 4.5 (a '**Permitted Transfer**');;
- (b) a transfer made in accordance with and permitted under article 5;
- (c) a transfer required to be made pursuant to article 7.2;

4.4. If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) then the Directors may:

- (a) require the transferee of such Share to enter into a written undertaking (in such form as the Directors may prescribe) to be bound (to such extent as the Directors may reasonably stipulate) by the provisions of such agreement; and
- (b) decline to register the transfer of such Share unless and until the transferee has entered into such written undertaking.

4.5. Subject to articles 4.1, 4.2 and 4.4 and to article 7, a Member shall be permitted to transfer the legal title to and/or beneficial ownership of a Share with the prior written consent of the holders of not less than a Controlling Interest.

5. **Pre-emption**

5.1. Except in the case of a Permitted Transfer or a transfer required to be made pursuant to article 7.2, the right to transfer or otherwise dispose of a Share or any interest or right in or arising from a Share (an option or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions

contained in this article and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.

- 5.2. Before transferring or otherwise disposing of any Share or any interest or right in or arising from any Share the person proposing to transfer or otherwise dispose of the same (the "**Transferor**") shall give notice in writing (a "**Transfer Notice**") to the Company specifying the Shares or rights of which the Transferor wishes to transfer or dispose of.
- 5.3. Notwithstanding that a Transfer Notice specifies that the Transferor wishes to dispose only of an interest or right in or arising from or attaching to, the Shares referred to therein, the Transfer Notice shall (notwithstanding anything in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Transferor in relation to the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the "**Sale Shares**") at the Sale Price as hereinafter referred to in accordance with the provisions of this article. A Transfer Notice shall not be revocable except with the consent of the Directors.
- 5.4. Except in the case of a Transfer Notice which a Member is bound to give or is deemed to have given pursuant to article 6 (a "**Mandatory Transfer Notice**") a Transfer Notice may include a condition (a "**Total Transfer Condition**") that if all the Sale Shares (of whatever class) are not sold to Approved Transferees (as hereinafter defined), then none shall be so sold.
- 5.5. Except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares:
 - (a) the name or names of a person or persons (such person or persons being hereinafter referred to as the "**Proposing Transferee**") to whom the Sale Shares (or an interest or right in or arising therefrom) are proposed to be transferred in the event that the Sale Shares are not acquired by Approved Transferees (as hereinafter defined); and
 - (b) the entire consideration per share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling an amount per share which is so expressed and which is commensurate with the entire consideration). In such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the consideration so stated is a bona fide consideration (and not inflated for particular reasons) agreed between the Transferor and the Proposing Transferee at arms' length and in good faith, such consideration shall be the Sale Price and the Prescribed Period (as hereinafter referred to) shall commence on the date on which the Transfer Notice is given and shall expire 2 months thereafter.
- 5.6. In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in article 5.5 above relating to consideration or where the Directors are not satisfied that the consideration stated is a bona fide consideration within the terms of article 5.5:
 - (a) if, not more than 14 days after the date on which the Transfer Notice was given or was deemed to be given (or such longer period (if any)

as the Directors may allow for this purpose) the Transferor and the Directors shall have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Transferor and not more than the fair value thereof then such price shall be the Sale Price and the Prescribed Period shall commence on the date on which such agreement is reached and shall expire 2 months thereafter; or

- (b) failing such agreement, upon the expiry of such 14 day period (or such longer period (if any) as aforesaid) the Directors shall instruct the auditors for the time being of the Company to determine and report the sum per Share considered by them to be the fair value of the Sale Shares as at the date when the Transfer Notice was given or deemed to have been given (as the case may be) and the sum per Share so determined and reported shall be the Sale Price and the prescribed period shall commence on the date on which the auditors shall so determine and report and shall expire 2 months thereafter.

- 5.7. For the purposes of article 5.6, the auditors shall act as experts and not as arbitrators and (save only for manifest error) their determination shall be final and binding upon the Company and all Members. The costs and expenses of the auditors in relation to the making of their determination shall be borne by the Company unless the Sale Price as so determined is the same as, or substantially the same as, that (if any) which the Directors had notified to the Transferor as being in their opinion the Sale Price, in which event such costs and expenses shall be borne by the Transferor). For the purposes of this article, the fair value of one Sale Share shall be the relevant proportion of the value of the entire issued Ordinary Share capital of the Company at the date on which auditors are instructed to determine the fair price, the value of the entire issued Ordinary share capital of the Company being determined by the auditors, assuming an arm's length sale between a willing buyer and a willing seller and that the Company is carrying on business as a going concern. The relevant proportion shall be equal the proportion which one Sale Share represents to the number of Ordinary Shares in issue at the date of the transfer notice regardless of whether the Sale Shares are A Ordinary Shares or B Ordinary Shares or some of each.
- 5.8. The Sale Shares shall be offered in writing first to the holders of the existing Ordinary Shares (other than the Transferor) of that class (being A Ordinary Shares or B Ordinary Shares) pro-rata as nearly as may be in proportion to the numbers of Ordinary Shares of that class then held by such holders and secondly (insofar as not accepted following such offer) to the holders of the other class of Ordinary Shares (other than the Transferor) pro-rata as nearly as may be in proportion to the numbers of Ordinary Shares of that class then held by such holders and thirdly (insofar as not accepted following such offers) to such person or persons (if any) as the Directors think fit PROVIDED THAT the Company shall not be required to, and shall not offer any Sale Shares to any person who remains a member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in this article 5.8 is made.
- 5.9. Any such offer as is required to be made by the Company pursuant to article 5.8 shall be made as soon as practicable following the determination of the Sale Price for the relevant Sale Shares and shall limit a time (not being less than 14 days or more than 21 days) after such offer is made within which it must be accepted or, in default will lapse. Following any such offer, if

acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted pro rata as nearly as may be in proportion to the number of shares then held by each acceptor (or in the case of any such offer made to persons who are not already Members of the Company on such basis as the Directors shall determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this article 5.9 shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.

- 5.10. If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied. Subject thereto, any such offer as is required to be made by the Company pursuant to article 5.8 above shall be unconditional.
- 5.11. If, prior to the expiry of the Prescribed Period, the Company shall, pursuant to the foregoing provisions, find Members or other persons (herein called "Approved Transferees") to purchase some or (if article 5.10 shall apply) all the Sale Shares it shall as soon as practicable after so doing give notice in writing thereof to the Transferor and the Approved Transferees. Every such notice shall state the name and address of each of the Approved Transferees and the number of the Sale Shares to be purchased by him and shall specify a place and time and date (not being less than 3 days nor more than 7 days after the date of such notice) at which the sale and purchase shall be completed. Upon the giving by the Company of any such notice as aforesaid the Transferor shall be bound (subject only to due payment of the Sale Price) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms.
- 5.12. If a Transferor shall (save only for reason that an Approved Transferee does not duly pay the Sale Price) fail to duly transfer any Sale Shares to an Approved Transferee, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Transferor and shall cause such Approved Transferee to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Approved Transferee (who shall not be bound to see to the application thereof) and after the Approved Transferee has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 5.13. If the Company shall not, prior to the expiry of the Prescribed Period, find Approved Transferees willing to purchase some, or, if the relevant Transfer Notice validly contained a Total Transfer Condition, all, of the Sale Shares, it shall, as soon as practicable following such expiry, give notice in writing thereof to the Transferor and the Transferor, at any time thereafter up to the expiration of 2 months from the date of such notice, shall, (subject as hereinafter provided) be at liberty to transfer those of the Sale Shares not purchased by Approved Transferees or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice did not contain

details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price.

- 5.14. Any Share required to be transferred by a Transferor to an Approved Transferee pursuant to this article shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching thereto and if, in determining the Sale Price, there was taken into account any entitlement to any dividend which has been paid prior to the date on which the transfer is registered then the Transferor shall be liable to account to the Approved Transferee for the amount thereof (and the Approved Transferee, when making payment for such Share, may set-off such amount against the Sale Price payable).

6. Compulsory Transfers

- 6.1. If any person shall purport to transfer or otherwise dispose of any Share or any interest in or right arising from any Share otherwise than as permitted under article 4.5, in accordance with the provisions of article 5 or as required pursuant to article 7.2, such person shall be deemed to have given, on the date on which the Directors give notice to such person that they have become aware of the purported transfer or other disposal, a Transfer Notice in respect of all Shares of which such person is then the holder.
- 6.2. If any person becomes entitled to Shares in consequence of the death, bankruptcy or liquidation of a Member then a Transfer Notice shall be deemed to have been given on the date on which the Directors become aware that such entitlement has arisen in respect of all Shares held by the Member.
- 6.3. If a Director of the Company ceases to hold office at the Company or any subsidiary of the Company for any reason, then such Director shall be deemed to have served a Transfer Notice to the Directors of the Company in respect of his entire holding of Shares. Any transfer of Shares following the deemed giving of such Transfer Notice shall be made free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto to an Approved Transferee.

7. Drag Along/Tag Along

- 7.1. If an offer (the "**Offer**") is made by any person acting bona fide at arms length (the "**Offeror**") to any one or more of the Company's members to acquire Shares which when combined with those already held by the Offeror would give the Offeror a Controlling Interest (as hereinafter defined) in the issued equity share capital of the Company and such members decide to accept the Offer ("**Selling Majority**"), the Selling Majority shall have the option ("**the Drag Along Option**") to require all the other holders of shares (including any persons who acquire their shares upon the exercise of options where exercise is triggered by the acquisition of the Controlling Interest) to transfer all their shares to the Offeror or as the Offeror shall direct in accordance with Articles 7.1 to 7.7 (inclusive).
- 7.2. The Selling Majority may exercise the Drag Along Option by giving written notice to that effect ("**the Drag Along Notice**") to all other shareholders (the "**Called Shareholders**") at any time before the transfer of shares to the Offeror. A Drag Along Notice shall specify that the Called Shareholders are

required to transfer all their shares (the "**Called Shares**") pursuant to Article 7.1, the price at which the Called Shares are to be transferred and the proposed date of transfer.

- 7.3. A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason the Offeror does not obtain a Controlling Interest caused by a transfer of shares by the Selling Majority to the Offeror within 60 days after the date of the Drag Along Notice.
- 7.4. The Called Shareholders shall be obliged to sell the Called Shares upon the same terms and at the price offered by the Offeror pursuant to Article 7.1
- 7.5. Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Majority's shares unless:
 - (a) all of the Called Shareholders and the Selling Majority agree otherwise; or
 - (b) that date is less than 7 days after the Drag Along Notice, where it shall be deferred until the 7th day after the Drag Along Notice.
- 7.6. If an Offer is made by an Offeror to any one or more of the Company's members to acquire a Controlling Interest in the issued equity share capital of the Company and the Selling Majority decide to accept the Offer, the Selling Majority shall procure the making by the Offeror of the Offer to all of the other members of the Company (including persons who acquire their shares upon the exercise of options where exercise is triggered by the acquisition of the Controlling Interest) in respect of all their Shares on the same terms and at the same price as the Offer ("**Tag Along Offer**"). On receipt of the Offer or Tag Along Offer in writing every member shall be bound within 28 days of the date of the Offer or Tag Along Offer either to accept or reject the Offer or Tag Along Offer (as the case may be) in writing (and in default of so doing shall be deemed to have rejected the Offer or Tag Along Offer). Until such Tag Along Offer has been made in accordance with this Article, the Directors shall not sanction the transfer and registration of any Shares pursuant to an Offer.
- 7.7. For the purpose of Articles 7.1 to 7.7 (inclusive) "**Controlling Interest**" means Shares (or the rights to exercise the votes attaching to Shares) which confer in the aggregate more than 60% of the total voting rights conferred by all the Shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all general meetings.

8. Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertaking, property and assets (including any uncalled capital), or any part thereof, and, subject to the provisions of the Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company.

9. Further provisions concerning Shares

- 9.1. Subject to the provisions of the Act, Shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or

the holder on such terms and in such manner as may be provided by these Articles.

- 9.2. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- 9.3. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the holder.
- 9.4. If the Directors refuse to register a transfer of a Share, they shall, within 2 months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- 9.5. The registration of transfers of Shares (of any class) may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may reasonably determine.
- 9.6. No fee shall be charged for the registration of any instrument or transfer or other document relating to or affecting the title to any Share.
- 9.7. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.
- 9.8. 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 interest; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been solely or jointly held by him.
- 9.9. Subject as otherwise provided by or in accordance with these Articles, a person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were the holder of the Share, except that he shall not, before being registered as the holder of the Share, be entitled (in respect of it) to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of Shares.

10. Share Certificates

- 10.1. Every Member, upon becoming the holder of any Shares, shall be entitled without payment to one certificate for all the Shares of each class held by him within one month from the date of issue (or such longer period as the terms of issue shall provide) after allotment (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding within 14 days after lodgement of the transfer) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine. Every certificate shall

be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

- 10.2. If a share certificate is defaced, worn-out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

11. Lien

- 11.1. The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable or otherwise owing by the holder of such Share (or any Associate of such holder) to the Company. The Company's lien on a Share shall extend generally as aforesaid as well as to any amount payable in respect of it.
- 11.2. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of article 11.1.
- 11.3. The Company may sell 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 14 Clear Days after notice in writing has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. The provisions of article 5 shall apply to any sale of Shares made by the Company pursuant to this article (on the basis that a Mandatory Transfer Notice shall be deemed to have been given upon the expiry of such period of 14 days as is above referred to).
- 11.4. To give effect to a sale as aforesaid the Directors may authorise some person to execute on behalf of the holder of the relevant Shares an instrument of transfer of such Shares in favour of the purchaser(s). The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the Sale.
- 11.5. The net proceeds of such sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of such sale.

12. Calls on Share and Forfeiture

- 12.1. Subject to the terms of allotment, the Directors may make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked

in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

- 12.2. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 12.3. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it becomes due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part.
- 12.4. An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
- 12.5. Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares for a difference between the holder in the amounts and times of payment of calls on their Shares.
- 12.6. If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 Clear Days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expense incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited. The Directors may accept a surrender of any Share liable to be forfeited hereunder.
- 12.7. If the Shares are not surrendered or if the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 12.8. Subject to the provisions of the Act and these Articles, a forfeited or surrendered Share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture or surrender the holder or to any other person and at any time before sale, surrender, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where the Directors propose that a forfeited or surrendered Share should be transferred then the Company shall give written notice of such proposal to the Member concerned. The provisions of article 5 shall apply in relation to any proposed transfer of a Share pursuant to this article (on the basis that a Mandatory Transfer Notice in respect of such Share shall be deemed to be given on the date on which such notice aforementioned is given).

- 12.9. A person any of whose Shares have been forfeited or surrendered shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture or surrender until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or for any consideration received on their disposal.
- 12.10. A statutory declaration by a director or the Secretary that a Share has been forfeited or surrendered or sold to satisfy a lien of the Company 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 declaration and the receipt of the Company for the consideration (if any) given for the Share on the sale, re-allotment or disposal thereof shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor, subject to compliance by the Directors with article 5, shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the Share.

13. Alteration of share capital

- 13.1. Subject to the Act and as provided in these Articles, the Company may by ordinary resolution:
- (a) increase its share capital by the creation of new Shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
 - (c) sub-divide its Shares, or any of them, into Shares of smaller amount and the resolution may determine that, as between the Shares resulting from the subdivision, any of them may have any preference, or special right or advantage or subject to any such restriction as compared with the others; and
 - (d) cancel 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.
- 13.2. Whenever, as a result of a consolidation of Shares any Members would become entitled to fractions of a Share, the Directors may, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Members. The provisions of article 5 shall apply to any such sale and the Directors may authorise some person to execute a Transfer Notice and an instrument of transfer of the Shares in favour of the purchaser(s). No such purchaser shall be bound to see to the application of

the purchase money nor, subject to compliance by the Directors with article 5, shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 13.3. Subject to the provisions of the Act or these Articles, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium or other undistributable reserve account in any way.

14. Purchase of own Shares

Subject to the provisions of the Act or these Articles, the Company may purchase its own Shares (including any redeemable Shares) and, whilst a private company, make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits of the Company or the proceeds of afresh issue of shares.

15. General Meetings

- 15.1. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 15.2. The Directors may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed with proper expedition to convene an extraordinary general meeting for a date not later than 28 days after receipt of the requisition.

16. Notice of general meetings

- 16.1. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least 21 Clear Days' notice. All other extraordinary general meetings shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting by a majority in number of the Members having a right to attend and vote being a majority together holding not less than 95 per cent in nominal value of the Shares giving that right.

The notice shall specify the time, place and day of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Members entitled to receive such notices, to all persons entitled to a Share in consequence of the death or bankruptcy of a Member and to the Directors and auditors.

- 16.2. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

17. Proceedings at general meetings

- 17.1. No business other than the appointment of a chairman shall be transacted at any meeting unless a quorum is present. Subject to any provision to the contrary contained in these Articles, 2 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, shall be a quorum.
- 17.2. If such a quorum is not present within half an hour from the time appointed for the meeting (or such longer interval as the chairman of the meeting may think fit to allow) or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine.
- 17.3. The chairman, if any, of the board of directors or in his absence some other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman.
- 17.4. If no Director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be chairman.
- 17.5. A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 17.6. The chairman may, with the consent of a 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 an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least 7 Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 17.7. 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:

- (a) by the chairman; or
- (b) by at least 2 Members having the right to vote at the meeting; or
- (c) by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting, or
- (d) by a Member or Members holding shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid

up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the right;

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

- 17.8. Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 17.9. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 17.10. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 17.11. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
- 17.12. 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 at such place and time (not being more than 30 days after the poll is demanded) as the chairman directs. 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. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 17.13. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
- 17.14. A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

18. Votes of Members

- 18.1. Subject to any rights or restrictions as to voting attached to any Shares and in particular to those set out in article 3.3 in these Articles, 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 being himself

a Member entitled to vote) and every person (not being himself a Member entitled to vote) present as a proxy for a Member or Members shall have one vote and on a poll every Member (or his proxy) shall have one vote for every A Ordinary Share of which he (or the Member by whom he was appointed) is the holder.

- 18.2. In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of Members in respect of the Share.
- 18.3. A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonus or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 18.4. No Member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently due and owing by him to the Company in respect of that Share have been paid.
- 18.5. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 18.6. On a show of hands or a poll, votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion and a Member entitled to more than one vote need not use all his votes or cast all his votes used in the same way. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting.
- 18.7. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor (in the case of a corporation the instrument shall be under the common seal or signed by a duly authorised officer) and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

"[] [Limited] [PLC] I/We, [], of [] being a Member/Members of the above-named company, hereby appoint [] of [], or failing him, [] of, [] as my/our proxy to vote in my/our name[s] and on my/our behalf at the [

] annual/extraordinary general meeting of the Company to be held on [] [] 20[], and at any adjournment thereof.

Signed this [] day of [] 20[]"

- 18.8. Where it is desired to afford Members an opportunity of instructing the proxy how he shall act, the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

"[] [Limited] [PLC]

I/We, [], of [] being a Member/Members of the above-named company, hereby appoint [] of [], or failing him, [] of, [] as my/our proxy to vote in my/our name[s] and on my/our behalf at the [] annual/extraordinary general meeting of the Company to be held on [] [] 20[], and at any adjournment thereof.

Signed this [] day of [] 20[]"

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against

Resolution No. 2 *for *against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this day of 20[]

- 18.9. 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 Directors shall:

- (a) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- 18.10. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited 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 taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. The instrument shall, unless the contrary is stated thereon, be valid for any adjournment of the meeting as well as for the meeting to which it relates. Provided that an instrument of proxy relating to more than one meeting (including adjournments thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for any purpose of any subsequent meeting to which it relates.

19. Number of directors

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

20. Alternate directors

- 20.1. Any Director (other than an alternate director) may appoint by notice in writing to the Company any other Director, or any other person approved by resolution of the Directors and willing to act, (such notice of appointment to be deposited at the Office) to be an alternate director and may remove from office any alternate director so appointed by him.
- 20.2. An alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
- 20.3. Every person acting as an alternate director shall have one vote for every Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate director to any resolution in writing of the Directors or of a committee of the Directors, of which his appointor is a member shall (unless the notice of his appointment provides to the contrary) be as effective as the signature of his appointor.
- 20.4. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases to be a director.
- 20.5. Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

- 20.6. Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

21. Powers of directors

- 21.1. Subject to the provisions of the Act, the Company's memorandum of association and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the memorandum of association or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 21.2. The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

22. Delegation of directors' powers

The Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may at any time be revoked, withdrawn, varied or altered. Subject to any such conditions, the proceedings of a committee with 2 or more members shall be governed by the provisions of these Articles regulating the proceedings of Directors so far as they are capable of applying.

23. Appointment and retirement of directors

- 23.1. The Directors shall have power at any time, and from time to time, to appoint any person (willing to act) to be a Director, either to fill a casual vacancy or as an additional Directors.
- 23.2. The Company may by ordinary resolution appoint a person (willing to act) to be a Director either to fill a vacancy or as an additional Director.
- 23.3. No Director shall be required to vacate his office as a Director, nor shall any person be ineligible for appointment as a Director, by reason of his having attained any particular age.

24. Disqualification and removal of directors

The office of a Director shall be vacated if:

- 24.1. he ceases to be a Director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director of a company; or

24.2. he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

24.3.

- (a) he is, or may be, suffering from mental disorder and either he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (c) he resigns his office by notice in writing to the Company; or
- (d) he is convicted of a criminal offence (other than a minor motoring offence not punishable by imprisonment) and the Directors resolve that his office be vacated; or
- (e) he shall for more than 6 consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

25. Remuneration of directors

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.

26. Directors' expenses

The Directors (including alternate directors) may be paid all travelling, hotel, and other expenses properly and reasonably incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

27. Directors' appointments and interests

27.1. Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of managing director or to any other executive office with the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of the contract of service between the Director and the Company.

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

27.3. For the purpose of article 27.2:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

28. Directors' gratuities and pensions

The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who holds or who has held but no longer holds any executive office or employment with the Company or a predecessor in business of the Company and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

29. Proceedings of Directors

29.1. Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be prospective or retrospective. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

29.2. The quorum for the transaction of the business of the Directors may be fixed by the Directors at any number (not being less than two) or, unless so fixed at

any other number, shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

- 29.3. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 29.4. The Directors may appoint one of their number to be the chairman of the Board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. If there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within 5 minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- 29.5. A resolution in writing signed or approved by letter, telex or facsimile transmission by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and, when signed or approved as aforesaid, may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 29.6. The Board, or a committee of the Board, may hold meetings by telephone either by conference telephone connection(s) or by a series of telephone conversations or by exchange or facsimile transmissions addressed to the chairman. The views of the Board, or a committee of the Board, as ascertained by such telephone conversations or facsimile transmissions and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the Board (or, as the case may be, of that committee) duly convened and held. 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 is then present.
- 29.7. All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid (as regards all persons dealing in good faith with the Company) as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

- 29.8. Save as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of the Company;
 - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of any debt or obligation of the Company for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures or other securities by the Company for subscription, purchase or exchange;
 - (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.
- 29.9. For the purpose of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 29.10. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 29.11. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.
- 29.12. Where proposals are under consideration concerning the appointment of 2 or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for any reason precluded from voting) 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.
- 29.13. If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of

the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

30. Secretary

Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them but without prejudice to any claim for damages for breach of any contract of service between the Secretary and the Company. If thought fit, 2 or more persons may be appointed as joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more assistant or deputy Secretaries.

31. Minutes

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

- (a) of all appointments of officers made by the Directors;
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of any committee of Directors, including the names of the Directors present at each such meeting.

32. The common seal

The common seal of the Company shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the common seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

33. Dividends

33.1. Subject to the provisions of the Act and these Articles, the Company may by ordinary resolution declare final dividends in accordance with the respective rights of the Members, but no final dividend shall exceed the amount recommended by the Directors.

33.2. Subject to the provisions of the Act and these Articles, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. The Directors shall pay any dividend payable at a fixed rate and time subject only to the Company having sufficient profits available for distribution.

33.3. Except as otherwise provided by the rights attached to any class of shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period 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, that Share shall rank for dividend accordingly.

33.4. A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of

assets and where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.

- 33.5. Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled (or, if 2 or more persons are the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of any one of such persons) who is first named in the register of Members or to such person and to such address as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share. Every such cheque shall be sent at the risk of the person entitled to the money represented thereby.
- 33.6. No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
- 33.7. The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a Share into a separate account shall not constitute the Company as a trustee in respect of such moneys. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.
- 33.8. The Directors may retain any dividend or other monies payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the debts or other liabilities in respect of which the lien exists.

34. Accounts

No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as expressly agreed in writing between the Company and a Member or as conferred by statute or authorised by the Directors or by ordinary resolution of the Company, or ordered by a court of competent jurisdiction.

35. Capitalisation of profits and reserves

- 35.1. The Directors may, with the authority of any ordinary resolution of the Company.
- (a) capitalise any sum standing to the credit of any of the Company's reserve accounts (including (without limitation) share premium account or any revaluation reserve) or any sum standing to the credit of profit and loss account;
 - (b) appropriate the sum resolved to be capitalised to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either

in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Shares or debentures credited as fully paid to those Members, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid;

- (c) make such provision as the Directors think fit for any fractional entitlements which would arise on the basis referred to above (including provision whereby fractional entitlements are disregarded); and
- (d) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or Debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such Members.

36. Notices

- 36.1. Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.
- 36.2. The Company may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address. In the case of joint holders of a Share, all notices shall be given to the joint holder whose name stands first in the register of Members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such Member shall be entitled to receive any notice from the Company.
- 36.3. A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 36.4. Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the register of Members, has been duly given to a person from whom he derives his title.
- 36.5. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be a conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

36.6. A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

37. Winding up

If the Company is wound up, the liquidator may subject to the rights attaching to each class of Shares, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

38. Indemnity

Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.