

**Company Number: 362615**

**THE COMPANIES ACT 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

**of**

**W.R.R PEDLEY & CO. LIMITED**

**("the Company")**

At an Extraordinary General Meeting of the members of the above named Company, duly convened and held at Ann Street, Willenhall, West Midlands WV13 1EW on 16 July 1994 the following ordinary and special resolutions were passed:-

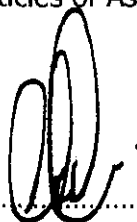
**ORDINARY RESOLUTIONS**

1. That the existing and issued 30,237 ordinary shares of £1 each in the name of C M Carver be reclassified as 30,237 A shares of £1 each; and
2. That the existing and issued 19,763 ordinary shares of £1 each in the name of D S Carver be reclassified as 19,763 A shares of £1 each; and
3. That the existing and issued 12,500 ordinary shares of £1 each in the name of D C Foster be reclassified as 12,500 B shares of £1 each; and
4. That the existing and issued 25,000 ordinary shares of £1 each in the name of C M Stokes be reclassified as 25,000 B shares of £1 each; and
5. That the existing and issued 12,500 ordinary shares of £1 each in the name of J M T Foster be reclassified as 12,500 B shares of £1 each;

**SPECIAL RESOLUTION**

6. That the draft Articles of Association attached to this resolution be adopted as the articles of the Company in substitution for and the exclusion of all existing Articles of Association.

Signature: .....



**Chairman/Director/Secretary or Officer  
of the Company**



Company Number: 362615

**THE COMPANIES ACT 1985**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**W R R PEDLEY & CO LIMITED**

**(as adopted by Special Resolution passed on 16 July 1994)**

**1 PRELIMINARY**

The Regulations contained or incorporated in Table A of the Schedule to the Companies (Tables A-F) Regulations 1985 (as amended) (such table being hereinafter referred to as "**Table A**") shall apply to the Company save insofar as they are excluded or varied hereby.

The following regulations of Table A shall not apply to the Company: 3, 24, 40, 50, 53, 54, 65 to 69 (inclusive), 73 to 78 (inclusive), 80, 81, 84, 87, 89 and 93 to 98 (inclusive). In addition to the remaining regulations of Table A as varied hereby, the following shall be the regulations of the Company.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine, feminine or neuter genders shall each include the others. References to persons shall include bodies corporate, unincorporated associations and partnerships.

**2 DEFINITIONS**

2.1 In these Articles unless the context otherwise requires the following expressions shall bear the following meanings:-

**"Business Day"** means any day other than Saturday, Sunday or any day which is a public holiday in the place or places at which the transaction in question is being effected or the notice in question is being received;

**"Connected Persons"** means the connected persons of any person as defined by Section 839 Income and Corporation Taxes Act 1988;

**"Equity Shareholders"** means the holders of any "A" Shares or "B" Shares;

**"A Shares"** means the "A" ordinary shares of £1 each in the

capital of the Company;

**"B" Shares"** means the "B" ordinary shares of £1 each in the Company;

**"Permitted Transferee"** any person or persons who shall directly or indirectly have acquired Shares pursuant to Article 10(b);

**"Restricted Acquisition"** means any acquisition or transaction as a result of which any person or persons who are connected within the meaning of Section 839 of the Income and Corporation Taxes Act 1988 acquire or hold more than 50% in aggregate of the equity share capital of the Company;

**"Share"** any share in the capital of the Company;

**"Subsidiary"** shall have the meaning given in Section 736 of the Companies Act 1985.

- 2.2 For the purposes of these Articles the expressions **"transfer"**, **"transferor"** and **"transferee"** shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renounee under any such letter of allotment.

### 3 **ALLOTMENT OF SHARES**

- 3.1 Subject to any direction to the contrary which may be given by ordinary or other resolution of the Company, and subject to any statutory provision, any unissued Shares in the capital of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of the same to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine.
- 3.2 The Directors are by this Article authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985). Such authority shall be general and unconditional and the maximum amount of relevant securities that may be the subject of allotment (within the meaning of the said Section 80) under such authority shall be the authorised but unissued share capital at the date of adoption of these Articles as the Articles of Association of the Company. Unless renewed, such authority will expire on the date five years from the date of the adoption of these Articles save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot the relevant securities in pursuance of such offer or agreement accordingly. The amount of a relevant security shall in the case of a Share in the capital of the Company mean its nominal value, and in the case of a right to subscribe for or to convert any security into Shares in the capital of the Company mean the nominal value of Shares in the capital of the Company which will be required to satisfy the full exercise of such right.

## 4 **SHARES**

4.1 The share capital of the Company at the date of adoption of these Articles is £100,000 divided into 50,000 "A" Shares and 50,000 "B" Shares.

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

### 4.2.1 **Income**

The profits of the Company shall be applied in paying to the holders of the "A" Shares and the "B" Shares *pari passu* as if the same constituted one class of share in respect of each accounting period of the Company such dividend as the Company may determine.

### 4.2.2 **Capital**

On a return of capital of liquidation or otherwise (except on the redemption of Shares of any class) the assets of the Company remaining after the payment of its debts and liabilities and of the costs, charges and expenses of any such liquidation where applicable shall be distributed amongst the holders of "A" Shares and "B" Shares (*pari passu* as if the same constituted one class of Share) on the "A" Shares and "B" Shares held by them.

4.3 Whenever the capital of the Company is divided into different classes of Shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply except that the necessary quorum shall be two persons holding or representing by proxy at least two thirds in nominal amount of the issued Shares of the class and any holder of Shares of the class present in person or by proxy may demand a poll (so that if any adjourned meeting of such holders a quorum as above defined is not present any holder of Shares of the class who is present shall be a quorum), and that the holders of Shares of the class shall, on a poll, have one vote in respect of every Share of the class held by them respectively. Without prejudice to the generality of this article, the special rights attached to the "A" Shares and the "B" Shares shall be deemed to be varied (save where such prior consent as aforesaid shall have been given):-

4.3.1 by the calling of any meeting of the Company (which in these Articles shall include the issue by the Company of a written resolution pursuant to Article 15 below) for the purpose of effecting any alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of the rights attached to any of the Shares for the time being in the capital of the Company or of any of its subsidiaries; or

4.3.2 by the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company; or

- 4.3.3 by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase or redeem any of its Shares; or
  - 4.3.4 by the calling of a meeting of the Company for the purposes of amending the Company's Memorandum or amending or adopting new Articles of Association of the Company; or
  - 4.3.5 by the entering into of a written service agreement with any Director or Connected Person who holds (or who together hold) greater than or equal to five per centum of the equity share capital from time to time or the material variation of any existing service agreement with any such person; or
  - 4.3.6 by the disposal of or the entering into an agreement or arrangement or a series of agreements or arrangements for the disposal of the whole or a substantial part of the Company's or any Subsidiary's business or the disposal of any share capital of any Subsidiary; or
  - 4.3.7 by the bonus issue of any debenture stock; or
  - 4.3.8 by the acquisition or the entering into of an agreement or arrangement for the acquisition of the whole or a substantial part of any business by the Company or any Subsidiary or the acquisition of Shares by the Company or any Subsidiary; or
  - 4.3.9 by the loaning of monies by the Company to any person, partnership or corporate body other than amounts of up to £5,000 in aggregate of all loans to employees from time to time and other than credit given in the ordinary course of business and other than deposits with the Company's clearing bankers from time to time; or
- 4.4 Subject to the provisions of Part V of the Companies Act 1985 and subject to any rights attaching to any class of Share of the Company the Company may:-
- 4.4.1 issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;
  - 4.4.2 purchase its own Shares (including any redeemable shares);
  - 4.4.3 make payment in respect of the redemption or purchase under Sections 159 or 160 or (as the case may be) Section 162 of the Companies Act 1985 and the relevant power under 4.4.1 or 4.4.2 above, of any of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares to the extent permitted by Sections 171 and 172 of the Companies Act 1985.
- 4.5 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

**TRANSFER AND TRANSMISSION OF SHARES**

5.1 Notwithstanding any other provision of these Articles but subject as hereinafter provided:-

- 5.1.1 A transfer of any Share in the Company by any member, being an individual, may be made to that member's spouse or any one or more children of such member or to trustees for the benefit of such spouse and/or any or all of such children or to new trustees on a change of the trustees of any such new trustees on settlement.
- 5.1.2 Other than in the case of a transfer pursuant to the preceding paragraph of this Article any member wishing to dispose of any of his Shares in the Company or the beneficial interest therein ("**the Transferor**") shall give notice in writing ("**a Transfer Notice**") to the Company that he wishes to dispose of one or more of his Shares. A Transfer Notice may provide that unless all the transfer shares are sold to the persons offered the same pursuant to sub-article 5.1.4 of this Article none shall be sold ("**a Total Transfer Condition**").
- 5.1.3 Every Transfer Notice shall specify the number and class of Shares to be transferred, shall be accompanied by the Certificate for the Transferor's Shares and shall constitute the Company agent for the sale of the Shares in accordance with this Article at a price to be determined in accordance with sub-article 5.1.5 of this Article ("**the Sale Price**"). If the capital is divided into separate classes of Shares a separate Transfer Notice shall be given (or be deemed to have been given) for each such class of Shares. A Transfer Notice shall not be revocable except with the sanction of the Directors.
- 5.1.4 Subject to the Sale Price being agreed or determined (as the case may be) in accordance with sub-article 5.1.5 of this Article within 15 days of receipt of a Transfer Notice or if later forthwith upon such determination the Directors shall:-
- 5.1.4.1 give notice in writing of the Transfer Notice specifying the Sale Price (an "**Offer Notice**") to all the members of the Company (other than the Transferor) holding Shares of the same class as the Shares the subject of the Transfer Notice in proportion to their respective holdings of equity share capital inter se (a "**First Offer**").

A First Offer shall be limited to a period of 28 days from the date of the Offer Notice and shall if not accepted within such time be deemed to have been declined. The First Offer shall give the members to which it is made the right to claim Shares offered in addition to their due proportion. If any such members do not accept their due proportion then the unaccepted Shares shall be distributed among those members claiming additional Shares in proportion or as nearly as may be to their said holdings (but no member shall be bound to take more Shares than those he has claimed) up to the maximum number of Shares that each member is prepared to take. If

any Shares comprised in a First Offer remain unaccepted the Directors shall issue a further Offer Notice (a "**Second Offer Notice**") in respect of such Shares to all the shareholders (other than the Transferor and the persons subject of the First Offer) in proportion to their holdings of equity share capital inter se (a "**Second Offer**") and the provisions of this Article shall apply thereto.

Every Second Offer shall be limited to a period of 15 days ("**the Second Period**") from the date of the Second Offer Notice and shall if not accepted by any such members within such time be deemed to have been declined by such members. The Second Offer shall give the members of the Company to which it is made the right to claim Shares offered in addition to their due proportion if any other such members do not accept their due proportion. If any such members do not accept their due proportion then the unaccepted Shares shall be distributed among those members of the Company claiming additional Shares in proportion or as nearly as may be to their said holdings (but no member shall be bound to take more Shares than those he has claimed) up to the maximum number of Shares that each member is prepared to take. If the number of Shares comprised in the Transfer Notice is insufficient to enable them to be offered pro rata to all the eligible members of the Company then they shall be offered individually to such members by the drawing of lots and the provisions of this sub-article shall apply accordingly;

5.1.4.2 if by the expiry of the Second Period there remain unaccepted Shares the subject of the Second Offer in accordance with the preceding provisions of this Article the Company may offer such unaccepted Shares to a third party at any price but in any event at a price not lower than the Sale Price. Such an offer shall be limited to a period of 15 days ("**the Third Period**") from the end of the Second Period and if not accepted within such time shall be deemed to be declined; and

5.1.4.3 if the Company shall within the First Period, the Second Period or the Third Period (as the case may be) find a transferee or transferees for the Shares offered for sale as herein referred to or any of them it shall give notice thereof to the Transferor and he shall be bound upon payment of the appropriate Sale Price to transfer the Shares to the relevant transferee or transferees provided always that if the Transfer Notice contained a Total Transfer Condition then unless the Company shall within such periods as aforesaid find a transferee or transferees for all but not some only of the Shares offered for sale as herein referred to, the provisions of this sub-article (iii) shall not apply.

5.1.5 The Sale Price of the Shares comprised in any Transfer Notice shall be either the price thereof agreed between the Transferor and the Directors within 15 days of the service of the Transfer Notice or (as the case may be)

the date when the Transfer Notice is deemed to have been served or in default of agreement within such period such price as an independent firm of Chartered Accountants (other than the Auditors of the Company) shall on the application of the Transferor, the Company or a majority of the holders of the same class of Share certify in writing to be the fair value thereof per share as at the date of the relevant Transfer Notice. The fair value shall be calculated on the basis of the fair price of such Shares on a going concern basis between a willing seller and a willing buyer and on the basis that no additional or reduced value is attached to a holding of Shares by virtue of such holding comprising or after purchase conferring or giving rise to a majority or minority of the total issued equity share capital of the Company. The nomination of such Accountants shall in the event of disagreement between the Transferor the Company and the Investor be made by the President for the time being of the Institute of Chartered Accountants in England and Wales.

In so certifying the Accountants shall be considered to be acting as experts and not as arbitrators with regard to their determination and their decision shall be final and binding on the parties. The reasonable costs of the Accountants shall be borne by the Transferor as to one half thereof and as to the other half by the purchasing members.

5.1.6 If the Transferor, after having become bound to transfer his Shares as aforesaid, makes default in transferring the same the Company may receive the purchase money tendered by the relevant Transferee and the proposed Transferor shall be deemed to have appointed any one Director or the Secretary of the Company as his agent to execute a transfer of the Shares which are the subject of the Transfer Notice to the Transferee and upon the execution of such transfer the Company shall hold the purchase money in trust for the Transferor. The receipt of the Company for the purchase money shall be a good discharge to the Transferee and after his name has been entered on the Register of Members in purported exercise of the powers conferred by this sub-article, the validity of the proceedings shall not be questioned by any person.

5.1.7 If the Company shall not find a Transferee or Transferees before the expiry of the Second Period in accordance with the preceding provisions of this Article the Company may, subject to the provisions of the Companies Act 1985 and, where appropriate, with the sanction of the shareholders of the Company or any class thereof and with or without the consent of the Transferor, exercise its power to purchase all or any of the Shares comprised in the Transfer Notice. If the Company declines or is unable to exercise such power it shall promptly notify the Transferor who shall be at liberty within a period of three months from receipt of such notification on a bona fide sale to transfer the Shares together with the beneficial interest therein (or where there are more Shares than one, those not transferred in accordance with the foregoing provisions of this Article), to any person at a price not less than the Sale Price previously determined or to retain them for his own benefit provided, in the case of sale, that:-

5.1.7.1 the Directors may require to be satisfied in such manner as they may reasonably think fit that such Shares are being



transferred in pursuance of a bona fide sale and the Directors, if not so satisfied, may refuse to register or approve the transfer; and

5.1.7.2 if the Transfer Notice shall contain a Total Transfer Condition the Transferor shall not be entitled under this sub-article to transfer some only of the Shares comprised in the Transfer Notice.

5.1.8 Subject to the preceding paragraphs of this Article any transfer of Shares made otherwise than in accordance with the foregoing provisions of this Article shall be void and have no effect provided that the foregoing provisions of this Article may be set aside with the consent in writing of all the shareholders of the Company.

5.2 The Directors shall refuse to register any transfer prohibited by the provisions of Article 5 unless it is made in accordance therewith and shall refuse to register a transfer unless:

5.2.1 it is in favour of a person who is not, or persons none of whom is, a minor; and

5.2.2 it is lodged at the office or at such other place 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; and

5.2.3 it is in respect of only one class of Shares; and

5.2.4 it is in favour of not more than four Transferees.

But, subject thereto, shall be obliged to register any transfer made in accordance with this Article 5.

The provisions of Article 5 shall apply to transfers renunciations and nominations of shares and/or of the right to subscribe for Shares in like manner as they apply to transfers of Shares.

## 6 GENERAL MEETINGS AND RESOLUTIONS

### 6.1

6.1.1 Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Companies Act 1985 as to giving information to members in regard to their right to appoint proxies; notices of and other communications relating to any General Meeting which any member is entitled to receive shall be sent to the Directors and to the Auditors.

6.1.2 The Directors shall procure that the accounts of the Company in respect of any accounting reference period are audited and laid before the Company in an Annual General Meeting to be held not later than six months after the end of the accounting reference period to which they relate.

- 6.2 No business shall be transacted at any meeting unless a quorum is present. A quorum shall consist of two persons entitled to vote upon the business to be transacted one of whom shall be a holder or a proxy for or an authorised representative of a holder of the "A" Shares and one of whom shall be a holder or a proxy for or an authorised representative of a holder of the "B" Shares. Provided that if any General Meetings shall be twice adjourned for want of a quorum for a period of not less than 14 days on each occasion and there shall be no quorum present at that date, time and place fixed at the second adjournment for the resumption of the Meeting, the members present (whether in person by proxy or authorised representative) shall form a quorum.
- 6.3 One member present in person or by proxy or the Chairman of the meeting may demand a poll and Regulation 46 of Table A shall be deemed to be altered and modified accordingly.
- 6.4 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with 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 representative, shall have one vote and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles have one vote for each Share of which he is the holder.
- 6.5 Subject to the provisions of the Companies Act 1985, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a General Meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a General Meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and in the case of a body corporate signed by a director or the secretary thereof or by its duly authorised representative.

## **7 DIRECTORS**

- 7.1 Unless and until the Company by Special Resolution in General Meeting shall otherwise determine the number of Directors shall not be less than two but there shall be no more than seven. Subject to this the Company may by ordinary resolution appoint a person who is willing and able to act as Director either to act as Director to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.

### **7.2**

- 7.2.1 the holder or holders of a majority in nominal value of the "A" Shares shall be entitled to appoint one Director of the Company ("the "A" Director") and the holders of the majority in nominal value of the "B" Shares shall be entitled to appoint one Director of the Company ("the "B" Director"). Such holders shall be entitled in the same manner from time to time to remove from office any Director so appointed or deemed to be appointed by them respectively and to appoint another Director in the place of any such Director who may have been removed or otherwise vacated office. Any such appointment or removal under this Article shall be made in writing under the hand or hands of the holder or holders of a majority in nominal

value of the "A" Shares or the "B" Shares as the case may be from the date upon which it is lodged at the Registered Office of the Company.

7.2.2 The Directors for the time being appointed or deemed to have been appointed by the holders of the "A" Shares and "B" Shares shall respectively be known and are herein referred to as "A" and "B" Directors.

7.3 The quorum for the transaction of the business of the Directors shall be two of whom one shall be an "A" Director and one a "B" Director or their alternates and provided that if a quorum is not present within 30 minutes after the time appointed for the meeting the meeting shall be adjourned until two days later at the same time and place or at such other time or place as the Directors may determine and at such adjourned meeting (of which notice (whether written or oral) shall be given stating the reason for the adjournment) a quorum is not present within half an hour of the appointed time as a result of the absence from the adjourned meeting of a member of the class of Directors which failed to attend the original meeting then the Directors present shall be a quorum. A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum.

7.4 The Chairman shall have a second or casting vote and Regulation 88 of Table A shall accordingly apply provided always that such Chairman shall cast his vote in favour of any resolution in respect of dividends.

## **8 BORROWING POWERS**

The Director may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital, or any part thereof, and subject to the provisions of Section 80 of the Companies Act 1985 and any resolutions of the Company in General Meeting passed pursuant thereto to issue debentures, debenture stock and other securities, whether outright or as security for any debt liability or obligation of the Company or of any third party provided always that without the consent of the holders of the majority of the issued "A" Shares and "B" Shares from time to time the aggregate amount of monies borrowed and guarantees given by the Company and/or any of its subsidiaries shall not exceed twice the aggregate of the Company's issued share capital and consolidated reserves (as shown in the last published audited consolidated accounts of the Company and its subsidiaries) whichever shall be the greater.

## **9 POWERS AND DUTIES OF DIRECTORS**

9.1 A Director who is in any way either directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors of the Company in accordance with Section 317 of the Companies Act 1985. Subject to such disclosure, a Director shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall so vote his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.

9.2 With the prior approval by an ordinary resolution of the shareholders the Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits

or emoluments to, any persons (including directors and other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of or associated with the Company or of the predecessors in business of the Company or any such subsidiary or associated company and the wives, families or dependants of any such persons.

## **10 DISQUALIFICATION**

10.1 No Director shall vacate his office or be ineligible for appointment or re-appointment as a Director by reason only of having attained any particular age, nor shall special notice be required of any resolution appointing or approving the appointment of such director or any notice be required to state the age of the person to whom such resolution relates save as set out below:-

10.1.1 a Director shall vacate his office at the conclusion of each Annual General Meeting commencing next after he attains the age of 65;

10.1.2 save as provided below no person shall be capable of being appointed a Director if at the time of his appointment he has attained the age of 65.

Nothing in Article 10.1.1 or 10.1.2 prevents the appointment or re-appointment of a Director at any age provided it is made by the company in general meeting. No special notice of any such resolution is necessary.

10.2 The office of a Director shall be vacated if:-

10.2.1 he is prohibited from being a director by an order made under the Company Directors Disqualification Act 1985;

10.2.2 he becomes bankrupt or a receiving order is made against him or he makes an arrangement or composition with his creditors generally;

10.2.3 he becomes incapable by reason of mental disorder illness or injury of managing and administering his property and affairs;

10.2.4 he absents himself from attendance at meetings of Directors without special leave of absence from the Directors for a period in excess of six months, and they pass a resolution that he has by reason of such absence vacated office; or

10.2.5 by notice in writing to the Company he resigns his office; or

10.2.6 if he is removed from office under Article 7.2.

10.3 In Regulation 79 of Table A the second sentence and third sentence thereof shall be deemed to be deleted.

## **11 PROCEEDINGS OF DIRECTORS**

11.1 It shall be necessary to give notice of a meeting of Directors to a Director who is absent from the United Kingdom PROVIDED THAT such Director has furnished the Company Secretary with an address for service of such notice outside the United Kingdom.

11.2 A resolution in writing signed or approved by letter, telemessage, facsimile transmission or telex by all of the Directors for the time being entitled to receive a notice of meeting of Directors shall be as effective as a resolution passed at a meeting of Directors duly convened and held and may consist of several documents in the same terms each signed or approved by one or more of the Directors.

11.3 Meetings of the Directors may be held by telephone or audiovisual communication and such meetings shall, subject to notice thereof having been given in accordance with these Articles, be as effective as if the Directors had met in person, provided always that the number of Directors participating in such communications is not less than the quorum stipulated by these Articles. A resolution made by a majority of the said Directors in pursuance of this Article shall be as valid as it would have been if made by them at a meeting convened and held in person.

## 12 **ALTERNATE DIRECTORS**

Each Director shall have power by notice in writing under his hand (which shall take effect on the service thereof at the registered office of the Company) to nominate (1) any other director or (2) any person approved for that purpose by the Directors such approval not to be unreasonably withheld refused or delayed, to act as his alternate, and at his discretion to remove such alternate Director. On such appointment being made the alternate Director shall be for all purposes counted as a Director of the Company, and except as regards remuneration and the power to appoint an alternate, shall while so acting be entitled to exercise and discharge all the functions, powers and duties of the Director whom he represents. Any Director acting as alternate shall have an additional vote for each Director for whom he acts as alternate but shall not be considered as two Directors for the purposes of making a quorum of Directors. An alternate director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be Director or on the happening of any event which if the alternate were a Director would cause him to vacate such office. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor. An appointment of an alternate shall not prejudice the right of the appointor to receive notice of and to attend and vote at meetings of the Board of Directors.

## 13 **MANAGING DIRECTOR**

13.1 The Directors may following the approval of a majority of the Shareholders of the Company from time to time appoint one or more of their body to be Managing Director or to hold such other office in the management, administration or conduct of the business of the Company for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. Subject to the terms of any such agreement, any Managing Director or a Director appointed to any other office as aforesaid shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and shall ipso facto and immediately cease to be Managing Director or to hold such other office in the management, administration or conduct of business of the Company if he ceases to hold the office of Director for any cause.

13.2 The remuneration of a Managing Director or any Director who may be appointed an executive in the management, administration or conduct of the business of the Company shall from time to time (subject to the provisions of any agreement between him and the Company) be fixed by a panel of the members of the Board of the

Company, (not including the said Director), and may be by way of fixed salary, or commission on the dividends, profits, sales or turnover of the Company, or any other company in which the Company is interested, or other participation in any such profits, or by way of retiring salary or provision for a pension for himself or his dependants, or by all or any of these modes, and (subject as aforesaid) the remuneration so fixed shall be additional to any ordinary remuneration to which he may be entitled as a Director of the Company.

- 13.3 The provisions of Articles 13.2 and 13.3 shall apply to the appointment of the Chairman of the Company from time to time *mutatis mutandis* as if the reference to the Managing Director was replaced by the reference to the Chairman.

#### 14 **NOTICES TO MEMBERS**

A notice may be given by the Company to any member either personally or by sending it by prepaid first class post, airmail, telemessage, facsimile transmission or telex to his registered address or to any other address supplied by him to the Company for the giving of notice to him. A properly addressed and prepaid notice sent by post shall be deemed to have been served at an address within the United Kingdom, in the case of notice of a meeting, at the expiry of 24 hours after the notice is posted and, in the case of notice of any other matter, at the time at which the notice would be delivered in the ordinary course of post and, in either case, served at an address outside the United Kingdom at the expiry of five days from the date of posting. Where a notice is given by telemessage, service of the same shall be deemed to be effected at the expiry of 24 hours after it is delivered by the Company to British Telecom or any other body charged with the same functions. Where a notice is given by telex, service of the same shall be deemed to be effected upon receipt of the appropriate answerback code at the end of the sender's copy of the telex. Where a notice is given by facsimile transmission, service of the same shall be deemed to be effected upon transmission PROVIDED THAT if as a result of such deeming provisions service shall thereby occur outside the hours of 9.00 am and 5.30 pm on a Business Day service shall be deemed to take place on the next available Business Day.

#### 15 **INDEMNITY**

In addition to the indemnity contained in Regulation 118 Table A and subject to the provisions of Section 310 of the Companies Act 1985, every Director, agent, auditor, Secretary and other office of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities properly incurred by him in or about the execution and discharge of the duties of his office.