

- 1994

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MEMORANDUM AND ARTICLES OF ASSOCIATION

- of -

MFI EDGWARE LIMITED

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Clifford Chance  
200 Aldersgate Street  
London EC1A 4JJ

Tel: 071 600 1000  
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1/HA

No. 799154

THE COMPANIES ACT 1948  
and THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

- of -

MFI EDGWARE LIMITED

- 1.\* The name of the Company is "MULLARD FURNITURE INDUSTRIES LIMITED".
2. The Registered Office of the Company will be situate in England.
- 3.\*\* The objects for which the Company is established are:-
  - (1) To manufacture, distribute, repair, service, hire out and deal as wholesalers and retailers in all kinds of furniture, sanitary and bathroom appliances and fittings, carpets, linoleum and floor tiles and coverings, ceiling and wall papers, ceiling and wall tiles and all other kinds of wall hangings and coverings, mattresses, bedding, curtains, upholstery, textiles, fabrics, clothing, glassware, chinaware, earthenware, hardware, plate and plated goods, cutlery, pictures, and every other kind of furniture, furnishings, fittings and articles of use or ornament in domestic and business buildings, electrical, electronic and mechanical apparatus and equipment of every kind and description, including lighting, sound and visual reproducing devices, apparatus and equipment, domestic and business appliances, musical instruments, and components and accessories and other ancillary items, and to carry on business as warehousemen, depository proprietors, removal contractors, installation contractors, carriers, sanitary, gas, water, electrical, electronic and mechanical specialists, engineers, consultants, advisers, builders and contractors.
  - (2) To manufacture, import, export, grow, finance, buy, sell, exchange, repair, convert, alter, improve, manipulate, prepare for market, let on hire and deal in all kinds of machinery, plant, implements, tools, hardware, apparatus, materials, goods and substances, including things usually dealt in by persons engaged in the foregoing or

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\* The name of the Company was changed on 26th January, 1967 to "M.F.I. (LONDON) LIMITED", on 15th February, 1971 to "M.F.I. LIMITED", on 19th April, 1971 to "M.F.I. WAREHOUSES LIMITED" and on 8th December, 1977 to "MFI FURNITURE CENTRES LIMITED", and by Special Resolution which became effective on 29 June 1987, the name of the Company was changed to "MFI EDGWARE LIMITED".

\*\* The objects of the Company were altered by Special Resolutions passed on 8th November 1985 and 13th November 1987

connected with any of the businesses carried on by the Company at any time, or necessary or convenient for carrying on such businesses.

- (3) To carry on business as a holding company and to acquire and hold shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stocks, debentures, debenture stocks, bonds, obligations, and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, whether at home or abroad, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being.
- (4) To co-ordinate the administration, policies, management, supervision, control, research, planning, trading and any and all other activities of and to act as financial advisers and consultants to any company or companies or group of companies now or hereafter formed or incorporated or acquired which may be or may become related or associated in any way with the Company or with any company related or associated therewith.
- (5) To carry on in any part of the world any other business or trade whatsoever (whether manufacturing or otherwise) which may seem to the Board of Directors for the time being of the Company capable of being conveniently carried on in connection with or ancillary to any business of the Company or any of its objects or by way of extension thereof or is calculated directly or indirectly to develop any branch of the Company's business or trade or which it may be advisable to undertake with a view to developing, rendering profitable, prospecting, turning to account or enhancing the value of any of the Company's assets or any property, real or personal, belonging to the Company or in which the Company may be interested.
- (6) To acquire any such shares, stocks and other securities mentioned in paragraph (3) above by subscription, syndicate participation, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
- (7) To pay for any business or other property or any shares, stocks, securities or rights of any kind acquired by the Company either in cash or shares, with or without any preferred or deferred rights, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.
- (8) To carry on any business or branch of a business which the Company is authorised to carry on by means, or through the agency, of any company which is a subsidiary of the Company, and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with

reference to any business or branch so carried on including power at any time, and either temporarily or permanently, to close any such branch or business.

- (9) To negotiate for, purchase, sell, hire, exchange, take or grant any building or other lease or agreement for building or other lease or otherwise acquire or deal with real or personal property of all kinds in any part of the world, and in particular, estates, lands, houses, buildings, warehouses, machinery, plant, stores, licences, concessions, rights of way and rights of water, and any rights, easements, privileges or interests which the Board of Directors for the time being of the Company may consider advisable, and either as principal or as agent for or in partnership or conjunction with any person, body or company to work, develop, manage, mortgage, lease or otherwise deal with the whole or any part of such property or rights, whether belonging to the Company or otherwise, and to erect and construct houses, buildings and works of every description, and to clear, manage, farm, cultivate, plant, work, or improve any land or buildings which, or any interest in which may belong to the Company, and to deal with, or otherwise turn to account, any farm or other products of any such land.
- (10) To make, build, erect, layout, equip, construct, maintain, alter, use, manage, pull down, repair, improve and work in any part of the world, dwellinghouses, flats; offices, shops, factories, mills, roads, railways, tramways, telegraph lines, telephones, electric light and power works, canals, reservoirs, waterworks, walls, aqueducts, watercourses, furnaces, gasworks, piers, wharves, docks, quarries, mines, warehouses, steam and other ships, and other works, buildings and conveniences of all kinds which may be deemed expedient for the purposes of the Company and to pay or contribute to the payment of the costs of making, building, maintaining, using and working the same.
- (11) To purchase with a view to closing or reselling in whole or in part any business or properties in any part of the world which may seem or be deemed likely to injure by competition or otherwise any business or branch of a business which the Company is authorised to carry on, and to close, abandon, and give up any works or businesses at any time acquired by the Company.
- (12) To apply for, take out, purchase or by other means acquire and hold for any estate or interest, and to protect, prolong and renew, whether in the United Kingdom or elsewhere, any property, assets or any concessions, licences, grants, designs, copyrights, patents, patent rights, trademarks or other exclusive or non-exclusive rights of any kind which the Company may be able to acquire or hold as a result of carrying out any of its objects in any part of the world or which may appear to be necessary or convenient for any business of the Company, and to use, develop, turn to account, deal with, manufacture under or grant licences or privileges in respect of the same in such manner as may be thought expedient, and to undertake research work and expend money in experimenting upon and testing and in improving or seeking to improve any products, processes, patents, inventions or rights which the Company or any other company in which the Company may be interested may acquire or propose to acquire.

- (13) To sell, let, lease, grant licences, easements and other rights over and in any other manner dispose of or deal with the whole or any part of the undertaking, property, assets, rights, effects and businesses of the Company for such consideration as may be thought fit and in particular for a rent or rents or stocks, shares, debentures, debenture stock or other obligations of any other company.
- (14) To amalgamate with or enter into partnership or any joint purse or profit-sharing arrangement with or to co-operate in any way with, or assist or subsidise, any person, firm, company or organisation carrying on, or proposing to carry on, any business within the objects of the Company.
- (15) To act as directors or managers of or to appoint directors or managers of any company which is a subsidiary of the Company, or of any other company in which the Company is or may be interested.
- (16) To remunerate any person, firm or company rendering services to the Company, either by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (17) To promote or concur in the promotion of any company, whether British or foreign, the promotion of which shall be considered desirable.
- (18) To guarantee, support or secure, whether by personal covenant or by mortgaging or charging or creating a lien upon the whole or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by any of such methods, the performance of the obligations of and the repayment or payment of the principal amounts of and premiums, interest and dividends on any securities of any person, firm or company including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company (as defined by Section 736 of the Companies Act 1985) or any other subsidiary (as also defined by the said Section) of the Company's holding company or is otherwise associated in business with the Company.
- (19) Either with or without the Company receiving any consideration or advantage, direct or indirect, from giving any such guarantee, to guarantee or otherwise provide security by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital or by both such methods or by any other means whatsoever the performance of the obligations on the payment of any monies and/or discharge of any liabilities (including but not limited to capital or principal, premiums, dividends or interest, commissions, charges, discounts and any costs or expenses relating thereto whether on any stocks, shares or securities or in any other manner whatsoever) by any company, firm or person including but not limited to any Company which is for the time being the Company's holding company as defined by Section 736 of the Companies Act 1985 or a subsidiary of the Company or of the Company's holding company as so defined or any company, firm or person who is for the time being a member or otherwise has any interest in the Company or is associated with the Company in any business or

venture of any other person firm or company whatsoever. A guarantee shall also include any other obligation (whatever called) to pay, purchase, provide funds (whether by advance of money the purchase of or the subscription of shares or other securities, the purchase of assets or services, or otherwise) for the payment of or to indemnify against the consequences of default in the payment of or otherwise be responsible for any indebtedness of any other company, firm or person.

- (20) Subject to and in accordance with a due compliance with the provisions of Section 155 and 158 (inclusive) of the Companies Act 1985 ("THE ACT") (if and so far as such provisions shall be applicable) to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (21) For any purpose and in any manner and from time to time to mortgage or charge the whole or any part of the undertaking and all or any of the real and personal property, rights and assets (including property, rights and assets to be subsequently acquired) of the Company and all or any of the uncalled capital for the time being of the Company, and to create, issue, make and give either at par or at a premium or discount, and for such consideration and with such rights, powers and privileges as may be thought fit, debentures, debenture stock, bonds or other obligations, perpetual or otherwise, with or without any mortgage or charge on all or any part of such undertaking, property, rights and uncalled capital, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (22) To make, draw, accept, endorse, discount, negotiate, execute and issue and to buy, sell and deal in promissory notes, bills of exchange, cheques, bills of lading, shipping documents, dock and warehouse warrants and other instruments negotiable or transferable or otherwise.
- (23) To lend and advance money with or without security to and to subsidise, assist and guarantee the payment of money by or the performance of any contract, engagement or obligation by any persons, companies or organisations and in support of such guarantee to mortgage or charge all or any part of the undertaking or property of the Company.
- (24) To undertake and transact all kinds of trust and agency business.
- (25) To grant donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or shall have been at any time Directors or other officers (whether executive or non-executive) or 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 of any such subsidiary or associated company or the wives, widows, families, relatives or dependants of any such persons; and to establish, subsidise, subscribe to or support institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise advance the interests and well-being of the Company or of any such other Company as aforesaid or of its members; and to make payments for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money

for charitable or benevolent objects or for any exhibition or for any public, general or useful object; and to establish and contribute to any scheme for the purchase or subscription by trustees of or for fully-paid shares in the Company or its holding company (if any) to be held by or for the benefit of the Company's employees (including Directors holding a salaried employment or office in the Company) or to lend money to the Company's employees (other than Directors) to enable them to purchase or subscribe for fully-paid shares of the Company or its holding company (if any) to be held by themselves by way of beneficial ownership.

- (26) To pay all preliminary expenses of the Company and any company promoted by the Company or any company in which the Company is or may contemplate being interested, including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company or any such company.
- (27) To insure with any other company or person the whole or any part of the property of the Company, either fully or partially, and either on the mutual principle or otherwise, against losses, damages, risks and liabilities of all kinds, which may affect the Company, and also to insure in any of the ways aforesaid against all liabilities for injuries suffered by persons in the service of the Company or against any damage or compensation payable under any Act or otherwise.
- (28) To enter into any arrangement with any government or authority, imperial, supreme, municipal, local, or otherwise, or company that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, or company any charters, contracts, decrees, rights, grants, loans, privileges, or concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with the same.
- (29) To take all necessary or proper steps in Parliament or with the authorities, national, local, municipal, or otherwise, of any place in which the Company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interests of its members, and to oppose any such steps taken by any other company firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members.
- (30) To do anything by this Memorandum of Association authorised in any part of the world and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.
- (31) To procure the Company to be registered, incorporated or legally recognised in any foreign country or place and to establish and maintain registers of shareholders in any part of the world.
- (32) To distribute among the members of the Company in specie any property of the Company.

- (33) To do all such other things as may be considered to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared (a) that the word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere and (b) that, except where the context expressly so requires, none of the several paragraphs of this Clause, or the objects therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxiliary to, any other paragraph of this Clause, or the objects in such other paragraph specified or the powers thereby conferred.

4. The liability of the Members is limited.
- 5.\* The capital of the Company is £1,000, divided into 1,000 shares of £1 each.

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- \* (i) On 7th February, 1966 the share capital of the Company was increased to £10,000 by the creation of 9,000 additional ordinary shares of £1 each.
- (ii) On 13th May, 1971 each of the 10,000 ordinary shares of £1 each was subdivided into 10 ordinary shares of 10p each and the share capital of the Company was increased to £750,000 by the creation of an additional 7,000,000 ordinary shares of 10p each.
- (iii) On 26th October, 1972 the share capital of the Company was increased to £1,250,000 by the creation of an additional 5,000,000 ordinary shares of 10p each.
- (iv) On 6th March, 1978 the share capital of the Company was increased to £2,400,000 by the creation of an additional 11,500,000 ordinary shares of 10p each.
- (v) On 21st August, 1979 the share capital of the Company was increased to £16,000,000 by the creation of an additional 136,000,000 ordinary shares of 10p each.



WE, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of the Memorandum of Association, and we respectively agree to take the number of Shares in the capital of the Company set opposite our respective names.

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NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
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DOROTHY MAY GRAEME  
61, Fairview Avenue,  
Gillingham, Kent.

One

Company Director

PAUL GORDON GRAEME  
61, Fairview Avenue,  
Gillingham, Kent.

One

Company Director

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DATED the 16th day of March, 1964.

WITNESS to the above Signatures:-

JANET DOROTHY LOUISE GRAEME,  
61, Fairview Avenue,  
Wigmore,  
Gillingham,  
Kent.

RGXS26\$2.31/jdh

Company No. 799154

THE COMPANIES ACT 1948

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THE COMPANIES ACTS 1985 and 1989

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

MFI EDGWARE LIMITED

Incorporated 2nd April 1964

adopted by special resolution passed on 17th September, 1992

Clifford Chance  
200 Aldersgate Street  
London EC1A 4JJ

Tel: 071 600 1000  
Fax: 071 600 5555

Ref: JZB/FE

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Company No. 799154

THE COMPANIES ACT 1948

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THE COMPANIES ACTS 1985 and 1989

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

MFI EDGWARE LIMITED\*

PRELIMINARY

1. (A) The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as they are excluded or modified hereby. No other regulations contained in any statute, statutory instrument or other subordinate legislation shall apply as the regulations or the articles of the Company.
- (B) The regulations of Table A numbered 2, 38, 59, 60, 61, 64, 73, 74, 75, 76, 77, 78, 80, 81, 90, 94, 95, 96, 97, 98, 115 and 118 shall not apply. The regulations of Table A numbered 24, 35, 37, 46, 53, 57, 62, 65, 67, 68, 79, 110, 112 and 116 shall be modified. Subject to such exclusions and modifications, and in addition to the remaining regulations of Table A, the following shall be the articles of association of the Company.
- (C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective.

PRIVATE COMPANY

2. The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

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\* By a special resolution which became effective on 29th June 1987, the company changed its name from "MFI FURNITURE CENTRES LIMITED" to "MFI EDGWARE LIMITED"

## SHARE CAPITAL

3. The authorised share capital of the Company at the date of adoption of these articles is £16,000,000 divided into 160,000,000 ordinary shares of 10p each.
4. (A) The directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such times and generally on such terms and conditions as the directors may determine. Further, the directors shall have general and unconditional authority pursuant to section 80 of the Act to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of that section) for a period expiring on the fifth anniversary of the date of adoption of this article unless previously renewed, varied or revoked by the Company in general meeting, and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the company at the date of adoption of this article or, where the authority is renewed, at the date of that renewal.
- (B) The directors shall be entitled, pursuant to the authority conferred by sub-paragraph (A) of this article or under any renewal of such authority, to make at any time prior to its expiry any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority and to allot relevant securities pursuant to such offer or agreement.
5. The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act shall not apply to any allotment of the Company's equity securities.

## TRANSFERS

6. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is a fully paid share or a share on which the Company has a lien, and the first sentence of regulation 24 of Table A shall not apply.

## PURCHASE OF OWN SHARES

7. Regulation 35 of Table A shall be modified by the deletion of the words "otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares" and the substitution for them of the words ", whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise".

## NOTICE OF GENERAL MEETINGS

8. Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "twenty-eight days".
9. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, 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 (i) a majority together holding not less than such

percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

#### PROCEEDINGS AT GENERAL MEETINGS

10. A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A shall be modified accordingly.
11. Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."
12. A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member. Unless the directors otherwise decide, a copy of such authority certified notari ally or in some other way approved by the directors shall be left at or sent by post or facsimile transmission to the office or such other place within the United Kingdom as the directors may determine before such representative is entitled to exercise any power on behalf of the corporation which he represents.

#### VOTES OF MEMBERS

13. Regulation 57 of Table A shall be modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
14. On a poll and on a show of hands, votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof.
15. An instrument appointing a proxy shall be in writing in any form which is usual or in which the directors may approve and shall be executed by or on behalf of the appointor.
16. Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

#### NUMBER OF DIRECTORS

17. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number shall be one.

#### ALTERNATE DIRECTORS

18. A director may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director and such person need not be approved by resolution of the directors, and regulation 65 shall be modified accordingly.
19. Regulation 68 of Table A shall be modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

#### POWERS OF DIRECTORS

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

#### APPOINTMENT AND REMOVAL OF DIRECTORS

21. The directors shall not be subject to retirement by rotation. Regulations 73, 74 and 75 of Table A shall not apply, and reference in any other regulation to retirement by rotation shall be disregarded.
22. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
23. A person appointed by the directors to fill a vacancy or as an additional director shall not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A shall be deleted.
24. No person shall be or become incapable of being appointed a director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age. Section 293 of the Act shall not apply to the Company.
25. The holder or holders of not less than half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any director from office or appoint any person to be a director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the directors for the purpose. Such removal or appointment shall take effect immediately upon deposit of the notice in accordance with the articles or on such later date (if any) as may be specified in the notice.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

26. The office of a director shall be vacated if:
  - (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- (c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated; or
- (f) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or
- (g) he is removed from office by notice given by a member or members under article 25.

#### PROCEEDINGS OF DIRECTORS

- 27. Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall for the purposes of the articles be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 28. If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the articles by resolution in writing signed by him, and regulations 88, 89, 91, 92 and 93 of Table A and article 27 shall not apply.

#### DIRECTORS' APPOINTMENTS AND INTERESTS

- 29. Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may 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 and if he does so vote his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution.

#### DIVIDENDS

- 30. The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share any moneys presently payable by him to the Company in respect of that share.

#### CAPITALISATION OF PROFITS

- 31. The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividend and regulation 110 of Table A shall be modified accordingly.

## NOTICES

32. Regulation 112 of Table A shall be modified by the deletion of the last sentence and the substitution therefor of the following: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."
33. Any notice sent to any member (or any other person entitled to receive notices under the articles) by the Company by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted. Any notice not sent by post but left at a member's registered address shall be deemed to have been given on the day it was so left.
34. Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom".

## INDEMNITY

35. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part 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.
36. The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.

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