

**The Companies Acts 1985 and 1989
COMPANY LIMITED BY SHARES**

SALMON DEVELOPMENTS LIMITED (02424275)

ARTICLES OF ASSOCIATION

ADOPTED BY SPECIAL RESOLUTION ON 13/2/2014

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TUESDAY



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COMPANIES HOUSE

The Companies Acts 1985 and 1989

COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
OF
SALMON DEVELOPMENTS LIMITED

1 PRELIMINARY

1 1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 ("Table A") shall, except as provided in and so far as the same are not inconsistent with the provisions of these articles, apply to the company and shall together with these articles constitute the regulations of the company

1 2 Regulations 3, 9, 23, 26, 35 to 55, 57, 59 to 62, 64 to 69, 73 to 81, 85 to 91, 93 to 97, 112 and 115 of Table A shall not apply to the company

1 3 In these articles unless the context otherwise requires the following expressions shall have the following meanings -

"A Preference Shares" means all or any of the "A" Preference Shares of £1 each in the capital of the company,

"A Shares" means all or any of the "A" Ordinary Shares of £1 each in the capital of the company,

"the Act" means the Companies Acts 1985 and 1989 including any statutory

modification or re-enactment thereof for the time being in force;

"Arrears" means, in relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share whether or not earned or declared and irrespective of whether or not the company has had at any time sufficient distributable profits to pay such dividend and all interest payable on such accruals, deficiencies and arrears but in relation to the Preference Shares, no amount shall be treated as Arrears as at any date (**"the Record Date"**) unless at the Record Date the Preference Dividend shall be due to be paid in accordance with article 2212, and by way of illustration if on any particular Record Date the amount of the Preference Dividend which shall be due is (say) £100,000, and the amount of all Preference Dividends which shall have been paid to the holders of the Preference Shares prior thereto as at the Record Date is (say) £500,000 the Arrears of the Preference Dividend shall be £100,000, and not the difference between £14 million and £500,000 (because in this illustration, at the Record Date only £100,000 shall be due to be paid pursuant to article 2212),¹

"articles" means the articles of the company,

"Auditors" means the auditors of the company from time to time,

"B Preference Shares" means any of the 'B' Preference Shares of £1 each in the capital of the company,

"B Shares" means all or any of the "B" Ordinary Shares of £1 each in the capital of the company,

"business day" means a day on which banks generally are open in the City of London for the transaction of normal banking business,

"C Shares" means all or any of the "C" Ordinary Shares of £1 each in the capital of the company,

"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,

"control" shall have the same meaning as in section 840 of the Income and Corporation taxes Act 1988;

"corporate member" means any member which is a company,

"D" Shares means all or any of the "D" Ordinary Shares of £1 each in the capital of the company;

"Dividend Date" means the date when any of the Preference Dividend or the Preferred Dividend (as the case may be) is due for payment in accordance with the terms of these articles,²

"executed" includes any mode of execution,

"family" in relation to any principal shall mean any one or more of such principal, his spouse, his parents, his descendants, including persons claiming descendency by adoption, his brothers and sisters, the estates of any such persons and the trustees of a trust (**"family trust"**) exclusively for the benefit of the family of such principal,

"family member" means any member who is a member of a principal's family,

"Fixed Preferred Dividend" means the fixed preferred dividend payable on the Participating Preferred Shares payable in accordance with article 23.1.1,³

"holder" in relation to shares means the member whose name is entered on the register of members as the holder of the shares,

¹ Inserted by special resolution passed 4 January 2002

² Inserted by special resolution passed 4 January 2002

³ Inserted by special resolution passed 4 January 2002

"Interest" means interest (calculated on a day to day basis and compounded with yearly rests of 2 per cent above the base lending rate of Barclays Bank plc from time to time,⁴

"London Stock Exchange" means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited,

"office" means the registered office of the company,

"Ordinary Shares" means the ordinary shares of £1 each in the capital of the company from time to time in issue referred to in article 2 4,⁵

"Participating Preferred Shares" means the non-voting cumulative participating preferred shares of £1 each in the capital of the company from time to time in issue the rights and restrictions in respect of which are set out in article 2 3,⁶

"Preference Dividend" means the fixed dividend payable on the Preference Shares payable in accordance with article 2 2 1 1,⁷

"Preference Shares" means the cumulative redeemable preference shares of £1 each in the capital of the company from time to time in issue the rights and restrictions in respect of which are set out in article 2 2,⁸

"Preference Shareholders" the holders for the time being of the Preference Shares,

"principal" means any person being an individual who is a member of the company,

"seal" means the common seal of the company,

⁴ Inserted by special resolution passed 4 January 2002

⁵ Substituted by special resolution passed 4 January 2002

⁶ Inserted by special resolution passed 4 January 2002

⁷ Inserted by special resolution passed 4 January 2002

⁸ Substituted by special resolution passed 4 January 2002

"secretary" means 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,

"share" means a share in the capital of the company,⁹

"transfer" means any transfer, sale, charge, mortgage, encumbrance, declaration of trust or other disposal of any share, or any interest in any share, in the capital of the company,

"United Kingdom" means Great Britain and Northern Ireland,

Words importing the masculine gender include the feminine gender

Words importing persons include bodies corporate and unincorporated associations

Words importing the singular shall, where the context so permits, include a reference to the plural and vice versa

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these articles

Reference to any act, statute or statutory provision shall include any statutory modification, amendment or re-enactment thereof

A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these articles and a special resolution shall be effective for any purpose for which an extraordinary resolution is expressed to be required under any provision of these articles

⁹ Substituted by special resolution passed 4 January 2002

2 SHARE CAPITAL¹⁰

2.1 Authorised share capital

2 1 1 The authorised share capital of the company at the date of the adoption of these articles is £51,000 divided into 730 Preference Shares, 270 Participating Preferred Shares and 50,000 Ordinary Shares

2 1 2 Each of the Preference Shares, the Participating Preferred Shares and the Ordinary Shares shall constitute separate classes of shares

2 2 Rights applicable to the Preference Shares

The special rights and restrictions applicable to the Preference Shares are set out in this article 2 2

2 2 1 Dividends and income

2 2 1 1 The company shall, in priority to any payment of dividend to the holders of all other shares in the capital of the company, pay to the holders of the Preference Shares out of the profits available for distribution in respect of each financial year of the company to 31 December a dividend ("**Preference Dividend**") equal to an amount calculated in accordance with the provisions of article 2 2 1 2, which shall be distributed to the holders of the Preference Shares according to the nominal amount of such shares which they shall each hold

2 2 1 2 The Preference Dividend shall be calculated and paid as follows -

- (a) The Preference Dividend shall be a sum which shall be equal to 18 5% (eighteen and one half per cent) of the cleared funds which shall be distributed to the company in respect of Development Profits during the calendar year 2002 and any subsequent calendar year until the aggregate amount of all the Preference Dividends which shall

¹⁰ Substituted by special resolution passed 4 January 2002

have been paid shall equal £1,400,000 (one million four hundred thousand pounds)

The aggregate amount of all Preference Dividends which shall be paid at any time shall not exceed £1,400,000 in any circumstances whatsoever

- (b) No Preference Dividend shall be payable in respect of the amount of any Development Profits which shall be distributed to the company and NFUM during the calendar year 2002 unless the amount of the Development Profits which shall actually be received by the company, (ignoring any amounts paid to NFUM), in cleared funds during that year shall exceed £2 million (two million pounds)
- (c) No Preference Dividend shall be payable in respect of the Development Profits which shall be distributed to the company during the calendar year 2003 or any subsequent calendar year unless the company's Gross Income for that year shall exceed £1 2 million (one million two hundred thousand pounds), and for this purpose the company's Gross Income shall mean the turnover which the company shall earn from all sources as certified by the company secretary
- (d) Not later than 6 January in 2003 and each subsequent calendar year, the company shall prepare (and deliver to the holders of the Preference Shares) a statement certified by the company secretary (which shall be final and binding on the company and the holders of the Preference Shares) which shall show -
 - (i) the Development Profits which shall have been distributed to the company during the immediately preceding year, and
 - (ii) the company's Gross Income in respect of the immediately preceding year, but this item shall not be required in relation to the statement to be delivered on 6 January 2003 only
- (e) The Preference Dividend shall cease to be payable in the circumstances described in Article 2 2 5.3

- (f) For the purposes of this article 2 2 1 the following expressions shall have the following meanings

"Development Profits" means profits arising upon a Sale (as defined in clause 1 of the Shareholders Agreement), as calculated in accordance with clause 9 1 and 9 2 of the Shareholders' Agreement and any management fee paid to the company pursuant to paragraph 6 1 2 (but not paragraph 6 1 1) of schedule 2 of the Shareholders Agreement,

"Shareholders Agreement" means the shareholders' agreement dated 4 May 1994 between (1) National Farmers Union Mutual Insurance Society Limited, (2) the company and (3) Salmon Harvester Properties Limited

- 2 2 1 3 The Preference Dividend which shall be calculated by reference to the Development Profits which shall be distributed to the company and NFUM in any calendar year shall be payable annually in arrears on 15 January of the following year

- 2 2 1 4 The first Preference Dividend payment shall be made on 15 January 2003 (if any amount shall then be payable in accordance with article 2 2 1 2(b))

- 2 2 1 5 Unless the company is prohibited, whether by reason of any principle of law or otherwise, the Preference Dividend shall (notwithstanding any provision of these articles and, notwithstanding that there has not been any resolution of the directors or of the company in general meeting) be paid immediately on the relevant Dividend Date and if not then paid shall be a debt due by the company which shall bear Interest with effect from the relevant Dividend Date and shall be paid first as to such Interest and secondly as to such Preference Dividend as soon as the company is lawfully able to make such payment, and no dividend shall be proposed, declared or paid on any other class of share in the capital of the company, nor any other return of capital made whether by redemption or otherwise, unless and until all Arrears of the relevant Preference Dividend have been paid Nothing in this article shall prevent the payment of any Preferred Dividend (or any Arrears of the Preferred Dividend) or

any dividend payable in respect of the Ordinary Shares in any year in which no Preference Dividend (or any Arrears of the Preference Dividend) shall be due.

2 2 1 6 The holders of the Preference Shares shall not be entitled to any further right of participation in the profits or income of the company

2 2 2 Capital

Subject to the provisions of these articles, on a return of capital on a winding up or otherwise (other than on redemption or purchase by the company of its own shares in accordance with these articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Preference Shares, in priority to any payment to the holders of all other shares in the capital of the company -

2 2 2 1 first, a sum equal to all Arrears of the Preference Dividend calculated down to and including the date of the commencement of the winding up (in the case of winding up) or of the return of capital (in any other case), and

2 2 2 2 secondly, a sum equal to the nominal amount but excluding any premium paid up (or credited as paid up) on the Preference Shares

Subject thereto, the holders of Preference Shares shall have no further right to participate in any return of capital on a winding up or otherwise (other than on a redemption or purchase by the company of its own shares in accordance with these articles)

2 2 3 Voting

The holders of the Preference Shares shall not have the right to receive notice of, attend, speak or vote at any general meeting of the company in any circumstances

2 2 4 Redemption and purchase

2 2 4 1 The company may, subject to the Act, at any time and from time to time after the aggregate of all sums paid in respect of the Preference Dividend shall equal £1,400,000 (one million four hundred thousand pounds) on giving to the holders of the Preference Shares at that date not less than 7 days' prior written notice of the date ("Redemption Date") when such redemption is to be effected, redeem all or any of the Preference Shares from time to time issued and outstanding

2 2 4 2 There shall be paid on each Preference Share so redeemed the nominal amount paid up thereon

2.2 4 3 Any notice of redemption shall specify the particular Preference Shares to be redeemed, the Redemption Date and the place at which the certificates for such shares are to be presented for redemption, and upon the Redemption Date each of the holders of the Preference Shares concerned shall be bound to deliver to the company at such place the certificates for the shares concerned in order that the same may be redeemed Upon such delivery the company shall pay to such holder (or to his order) the amount due to him in respect of such redemption If any certificate so delivered to the company includes any Preference Shares not redeemable on that occasion a fresh certificate for such shares shall be issued without charge to the holder delivering such certificate to the company

2 2 4 4 As from the Redemption Date the Preference Shares shall be treated as having been redeemed, whether or not the certificates therefor shall have been delivered and the redemption monies paid The redemption monies, if remaining unpaid, shall constitute a debt of the company, subject to all the provisions of these articles relating to monies payable on or in respect of a share

2 2 4 5 If any holder of any of the Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held by him at the time and place fixed for the redemption of such shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to

such holder shall be set aside and paid into a separate interest-bearing account with the company's bankers (designated for the benefit of such holder) Such setting aside shall be deemed for all purposes hereof to be a payment to such holder All such holder's rights as a holder of the relevant Preference Shares shall cease and determine as from the Redemption Date and the company shall thereby be discharged from all obligations in respect thereof The company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the company in connection therewith

2 2 4 6 The receipt of the registered holder from time to time of any Preference Shares or, in the case of joint registered holders the receipt of any of them for the monies payable on redemption shall constitute an absolute discharge of the company in respect thereof

2 2 4 7 Subject to the Act, upon the redemption of any Preference Shares the directors may, pursuant to the authority given by the adoption of this article, consolidate and/or sub-divide and/or convert the authorised Preference Share capital created as a consequence of such redemption into unclassified shares of the same nominal amount as the Preference Shares

2 2 4 8 Subject to the provisions of the Act, the company shall be authorised at any time and from time to time to purchase all or any of the Preference Shares from time to time outstanding by tender (available to all holders of Preference Shares alike) or by private treaty, in each case at any price

2 2 5 Transferability

2 2.5 1 The Preference Shares shall not be transferable in any circumstances whatsoever save that the initial holder of the Preference Shares, Spread Trustee Co Limited ("Spread") may transfer such shares to David Baird and/or any member of his family, and the entire legal and beneficial interest in such shares may be transferred

between members of David Baird's family Article 7 shall be read subject to this article 2 2 5

2 2 5.2 The Preference Shareholders shall not be "Potential Transferees" (as defined in article 7 2) and they shall have no rights to acquire shares pursuant to Article 7

2 2 5 3 No Preference Dividend shall be payable on any Preference Shares, the beneficial interest in which shall be held by anyone other than Spread or David Baird or a member of his family

2 2 5 4 Article 9 shall not apply to the Preference Shares

2 3 **Rights applicable to the Participating Preferred Shares**

The special rights and restrictions applicable to the Participating Preferred Shares are set out in this article 2 3

2 3 1 **Dividends and income**

2 3 1 1 The company shall, after the Preference Dividend (if any) and any Arrears of the Preference Dividend have been paid in full but in priority to any payment of dividend to the holders of all other shares in the capital of the company, pay to the holders of the Participating Preferred Shares out of the profits available for distribution in respect of each financial year of the company to 31 December a fixed cumulative preferential dividend ("**Fixed Preferred Dividend**") of £120,000 which shall to be distributed amongst the holders of the Participating Preferred Shares according to the nominal amount of such shares which they shall each hold

2 3 1.2 The Fixed Preferred Dividend shall accrue on a daily basis from the day on which each Participating Preferred Share is issued

2 3 1.3 The first Fixed Preferred Dividend payment shall be made on 15 January 2003 in respect of the period from the adoption of this article to 31 December 2002

2 3 1 4 Unless the company is prohibited, whether by reason of any principle of law or otherwise, the Fixed Preferred Dividend shall (notwithstanding any provision of these articles and notwithstanding that there has not been any resolution of the directors or of the company in general meeting) be paid immediately on the relevant Dividend Date and if not then paid shall be a debt due by the company which shall bear Interest with effect from the relevant Dividend Date and shall be paid first as to such Interest and secondly as to such dividends as soon as the company is lawfully able to make such payment

2 3 1 5 Other than the Preference Dividend (if any) and any Arrears of the Preference Dividend no dividend shall be proposed, declared or paid on any other class of share in the capital of the company, nor any other return of capital made whether by redemption or otherwise, unless and until all Arrears of the relevant Fixed Preferred Dividend have been paid

2 3 2 Capital

Subject to the provisions of these articles, on a return of capital on a winding up or otherwise (other than on redemption or purchase by the company of its own shares in accordance with these articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Participating Preferred Shares, subject to the rights attaching to the Preference Shares but in priority to any payment to the holders of all other shares in the capital of the company -

2 3 2 1 first, a sum equal to all Arrears of the Preferred Dividend calculated down to and including the date of the commencement of the winding up (in the case of winding up) or of the return of capital (in any other case), and

2 3 2 2 secondly, the sum of £2,000,000 (two million pounds)

Subject thereto the holders of the Preferred Shares shall have no further right to participate in any return of capital on a winding up or otherwise (other than on a

purchase by the company of its own shares in accordance with these articles save that in no circumstances may the company pay more than the nominal value for the purchase of such shares)

2 3 3 **Voting**

The holders of the Participating Preferred Shares shall have no right to receive notice of, attend, speak and vote at any general meeting of the company in any circumstances

2 3 4 **Dividends from subsidiaries**

For so long as there are Participating Preferred Shares in issue the company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the company such dividends to the extent possible as are necessary (and so far as the fiduciary duties of the Directors and the directors of the company's subsidiaries shall permit) to permit lawful and prompt payment by the company of the Preference Dividend, the Fixed Preferred Dividend and any Arrears of the same due in accordance with these articles

2 4 **Rights attaching to the Ordinary Shares**

The special rights and restrictions applicable to the Ordinary Shares are set out in this article 2 4

2 4 1 **Dividends and income**

The company shall, after the Preference Dividend, the Fixed Preferred Dividend and any Arrears thereof have been paid in full and subject to the rights of the holders of any other class or classes of shares in the capital of the company, pay to the holders of the Ordinary Shares the profits of the company available for distribution and resolved to be distributed by way of dividend among the holders of the Ordinary Shares in accordance with the amounts paid up thereon

2 4 2 Capital

Subject to the provisions of these articles, on a return of capital on a winding up or otherwise (other than on redemption or purchase by the company of its own shares in accordance with these articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Ordinary Shares, subject to the rights attaching to the Preference Shares and the Participating Preferred Shares, but in priority to any payment to the holders of all other shares in the capital of the company, a sum equal to the amounts paid up on the Ordinary Shares. Thereafter any further assets of the Company available for distribution shall be distributed only to holders of the Ordinary Shares in accordance with the amounts paid thereon.

2 4 3 Voting

The holders of the Ordinary Shares shall be entitled to receive notice of, attend and vote at any general meeting and every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote on a show of hands and on a poll every holder of Ordinary Shares so present shall have one vote for each Ordinary Share held by him.

3 ISSUE OF SHARES

3 1 Subject to the provisions of the Act the company may -

3 1 1 issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the holder, on such terms and in such manner as may be set out in these articles (as amended from time to time) or (as to the date on or by which or the dates between which the shares are to be or may be redeemed) as may be determined by the directors prior to the date of issue,

3 1 2 purchase its own shares (including any redeemable shares) or enter into such

agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be approved by such ordinary or special resolution as may be required by the Act,

- 3 1 3 to the extent permitted by section 171 of the Act, make a payment in respect of the redemption or purchase of any of its own shares (including any redeemable shares) otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares
- 3 2 Subject as otherwise provided in these articles and to any direction or authority contained in the resolution of the company creating or authorising the same, the directors are generally and unconditionally authorised, for the purposes of section 80 of the Act, to allot or to grant options or rights of subscription or conversion over unissued shares to such persons (whether existing shareholders or not), at such times and on such terms and conditions as they think proper
- 3 3 The authority granted to the directors under article 3 2 -
 - 3 3 1 shall not permit the directors to allot or to grant options or rights of subscription or conversion over shares to an aggregate amount of more than the unissued share capital at the date of adoption of these articles or (if such authority is renewed to varied by the company in general meeting) the amount specified in the resolution for such renewal or variation,
 - 3 3 2 shall expire not more than five years from the date of the adoption of these articles or (if such authority is renewed or varied by the company in general meeting) on the date specified in the resolution on which the renewed or varied authority shall expire,
 - 3 3 3 may be renewed, revoked or varied at any time by the company in general meeting;
 - 3 3 4 shall permit the directors after the expiry of the period of the said authority to allot any shares or grant any such rights in pursuance of an offer or agreement so to do

made by the company within that period

- 3 4 Notwithstanding anything to the contrary in these articles, no unissued share may be issued without the consent in writing of all the members for the time being of the company

4 PRE-EMPTION ON ISSUE OF SHARES

- 4 1 Notwithstanding anything to the contrary in these articles but subject to article 3 4 all unissued shares (whether in the original or any increased share capital) shall, before allotment or issue to any person on any terms, be offered on no less favourable terms first to the members in the following manner -
- 4 1 1 the offer shall be by notice in writing and shall specify the number and class of shares which the company desires to issue ("Offer Shares") and the proposed terms of the issue of the shares and shall invite each member to apply in writing within such period ("Offer Period") as shall be specified in the notice (being a period expiring not less than 21 days from the date of the notice) for such maximum number of the Offer Shares as he wishes to take and to submit his remittance for the full amount payable in respect of the shares applied for,
- 4 1 2 the Offer Shares (or so many of them as shall have been applied for) shall be allotted on the same terms to and amongst the members who have applied for them and who have submitted the full remittance in respect of the shares applied for on the earlier of -
- 4 1 2 1 the date of expiration of the Offer Period, or
- 4 1 2 2 the date the company receives notice in writing of the application for or refusal of the Offer Shares from every member,
- 4 1 3 the directors shall allocate the Offer Shares (or so many as shall have been applied for) to and amongst the applying members according to the number of Offer Shares

applied for by each of such applying members or, if the number of shares applied for exceeds the number of Offer Shares, on the basis that each such applying member shall be allocated the number of Offer Shares applied for by him up to the proportion (as nearly as practicable) of the Offer Shares which the number of shares of whatever class held by each of them respectively bears to the total number of shares held by all such applying members other than any Preference Shares held by any such member which shall not be counted in calculating such proportion. If any Offer Shares remain unallocated they shall be allocated to and amongst those applying members whose applications have not been satisfied in full in the proportion (as nearly as practicable) which the number of Offer Shares originally applied for by each such applying member less the number of Offer Shares already allocated to him bears to the total number of Offer Shares originally applied for by all such applying members less the number of Offer Shares already allocated to them;

4 1 4 if any member is allotted fewer shares than he has applied for, then the balance of the amount remitted by him shall be returned to him (without interest) on the date the shares are allotted to him;

4 1 5 no member shall be obliged to take more than the maximum number of shares applied for by him,

[4 1 6 Deleted]¹¹

5 LIEN

5 1 The lien conferred by regulation 8 of Table A shall also attach to fully paid up shares registered in the name of any person indebted or under liability to the company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders

5 2 The company may sell in such manner as the directors determine any shares on which the company has a lien, provided all restrictions and all rights of pre-emption

¹¹ By special resolution passed 4 January 2002

upon transfer set out in these articles are complied with if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice 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 share may be sold

[6. DELETED]¹²

7. PRE-EMPTION ON TRANSFER OF SHARES

7.1.1 Save as otherwise agreed in writing by all the shareholders for the time being of the company there shall be no transfers of part of a member's holding of shares permitted

7.1.2 Except as provided in these articles no transfer shall be made or registered unless and until the rights of pre-emption conferred in this article 7 shall have been exhausted

7.2 No shareholder shall be entitled to sell, transfer, mortgage, charge, create liens over or otherwise encumber or renounce or dispose of the legal or beneficial ownership of or any interest in or over any of its shares except by a transfer of the entire legal and beneficial ownership in all its shares and without first causing the same to be offered to the remaining shareholders ("the Potential Transferees") in the manner and at the price determined in accordance with the provisions of this article 7 ("the Price")

7.3 Every shareholder who desires to sell, transfer, renounce or dispose of his shares ("the Transferor") shall give written notice (the "Sale Notice") to the company's directors that he desires to sell, transfer, renounce or dispose of such shares Every Sale Notice shall constitute the directors the agent of the Transferor for the sale of the shares it refers to ("the Sale Shares") to the Potential Transferees at the Price

7.4 Any person becoming entitled to a share in consequence of the death or bankruptcy

¹² By special resolution passed 4 January 2002

of a shareholder (other than a surviving joint shareholder) shall for the purpose of this article 7 be a Transferor and shall give a Sale Notice in respect thereof within 14 days of has becoming so entitled

- 7 5 If within 21 days of the date of the Sale Notice, the transferor shall have agreed a price for the Sale Shares with the Potential Transferees, then such price shall be the Price and the directors shall within seven days offer the Sale Shares as specified in clause 7 7 Otherwise, the directors shall instruct the Auditors to fix the value of the Sale Shares and the sum so fixed shall be the Price In so certifying the Auditors shall be instructed to value the entire issued share capital of the company at the relevant time and then apportion such total value between each issued share (the "Auditors Certificate") The Auditors shall act as experts and not as arbitrators and the Arbitration Acts 1950/1979, or any statute for the time being modifying, replacing or re-enacting the same, shall not apply and their decision shall, save in the case of manifest error, be final and binding upon the shareholders The expenses of the Auditors shall be borne equally between the Transferor and the Purchaser (as defined below)
- 7 6 Forthwith upon the receipt of the Auditors' Certificate, the directors shall give notice thereof to the Transferor who may within 14 days of the date of such notice withdraw the Sale Notice by written notice to the directors In the event of the Transferor withdrawing a Sale Notice, he shall pay the entire expenses of the Auditors in respect of the Auditors' Certificate
- 7 7 With a view to finding one or more Potential Transferees to purchase the Sale Shares, the directors shall, within the seven day period referred to in article 7 5 or immediately after the 14 day period referred to in article 7 6 (as the case may be), offer the Sale Shares to the Potential Transferees as nearly as may be in proportion to the number of shares they hold and specifying a date within 14 days by which the offer, if not accepted, shall be deemed to be declined
- 7 8 If a Potential Transferee does not accept all his entitlement, the excess shall immediately be offered by the directors to the remaining Potential Transferees as

nearly as may be in proportion to the number of shares they hold. The remaining Potential Transferees shall then be entitled, within seven days, to offer to purchase any number of such excess shares up to their entitlement. If a Potential Transferee does not accept all his entitlement of such excess shares, the remaining Sale Shares shall immediately be offered by the directors to the other Potential Transferees who shall be entitled, within a further seven days to offer to purchase any number of such remaining Shares.

- 7.9 If within thirty days of the date of the offer referred to in article 7.7 the directors find a Potential Transferee for any Sale Share, they shall notify the Transferor who, upon receipt of the Price, shall transfer such shares to the purchasing Potential Transferee ("the Purchaser"), who shall complete the purchase in accordance with article 7.10.
- 7.10 Any sale or purchase of shares under the provisions of this article by the Purchaser shall be completed at the Company's registered office or such other place as the Shareholders may agree at 12 noon on the date not more than 14 days after the date on which the Price has been agreed or finally determined and the date on which the Purchaser has agreed to purchase the shares in accordance with article 7.9 provided that if such day is not a business day, then completion shall take place at 12 noon on the first business day after such day.
- 7.11 On completion the shareholder selling shares shall deliver to the Purchaser a duly executed stock transfer form transferring to the Purchaser (or as it may direct) the shares to be sold together with the relative certificate(s) therefor and all such shares shall be sold free from any right of pre-emption, option, lien, charge, equity or other encumbrances and together with all rights attaching thereto (including dividends declared but not paid) at the date on which the sale is to take place and do such other things and execute such other documents as shall be necessary or as the Purchaser may reasonably request to give effect to the sale of shares. The shareholder selling shares shall forthwith upon execution of the relevant transfer of shares procure the resignation at no cost to the company of any directors appointed by it from all directorships held in the company.

7 12 If the Transferor fails to carry out the sale of any Sale Shares which he is obliged to transfer, the directors may authorise some person to execute a transfer of the Sale Shares to the Purchaser, may give a good receipt for the purchase price of such shares, and may register the Purchaser as holder thereof and issue to him a certificate for it, and thereupon the Purchaser shall become indefensibly entitled to it. The Transferor shall in such case deliver up his certificate for such shares, and on such delivery shall be entitled to receive the purchase price, without interest. If such certificate shall comprise any shares which he has not become bound to transfer as above the company shall issue to him a balance certificate for such shares.

7.13 If -

7 13 1 within thirty days of the date of the offer referred to in article 7 7 the directors have not found a Purchaser for any Sale Share, or

7.13 2 through no default of the Transferor, the purchase of any Sale Share has not then been completed within twenty one days after the date of the notification referred to in article 7 9

then the Transferor may at any time within six months after the expiry of the thirty day period or the twenty-one day period (as the case may be) transfer the Sale Shares in respect of which no Purchaser was found (or in respect of which the sale was not completed as above) to any person or persons previously approved by the directors, such approval not to be unreasonably withheld at not less than the Price

7 14 If all the shareholders so consent in writing, the provisions of this article 7 may be waived

[7 15 Deleted]¹³

7 16 The instrument of transfer of shares shall be in the usual form prescribed from time to time or, if none is so prescribed, then in such form as the directors may determine

¹³ By special resolution passed 4 January 2002

and shall be executed by or on behalf of the transferor and fully paid, by or on behalf of the transferee

8. COMPULSORY TRANSFERS

- 8 1 If any member who is an individual dies then he and any relevant family member(s) (if he is a registered member) shall be deemed with effect from such death to have given to the company a Sale Notice in respect of all the shares legally or beneficially owned by him and his family and the provisions of article 7 shall have effect accordingly
- 8 2 If any family trust which becomes a member of the company at any time ceases to be a family trust then, unless such member shall have transferred its or his shares to such principal within 30 days of such cessation, that member shall be deemed with effect from the expiry of such 30 day period to have given to the company a Sale Notice in respect of all shares legally or beneficially owned by such member and the provisions of article 7 shall have effect accordingly
- 8 3 If any member shall be adjudged bankrupt then the trustee in bankruptcy shall be bound, within 30 days of his appointment, to give (or shall be deemed to have given with effect from the expiry of such 30 day period) a Sale Notice to the company in respect of all the shares legally or beneficially owned by such member and the provisions of article 7 shall have effect accordingly
- 8 4 If any person who is a director or employee of the company ("Executive") ceases to be an Executive by virtue of his resigning or having his employment lawfully terminated in accordance with the terms of his service agreement with the company other than in circumstances where such agreement has been terminated solely by effluxion of time upon giving notice without having been renewed and in the absence of any other breach which would make such termination lawful, he shall be deemed with effect from the expiry of a period of 30 days of such cessation to have given to the company a Sale Notice in respect of all shares legally or beneficially owned by him and his family (and the provisions of article 7 shall have effect)

9 TRANSFERS OF SHARES TO THIRD PARTIES

- 9 1 If any one or more members who hold 40 per cent or more of the nominal value of the issued ordinary share capital of the company for the time being shall pursuant to article 7 13, having complied with the provisions of article 7, intend to dispose of all the shares owned by them in the company, they shall prior to such disposal, procure that the intended purchaser of such shares shall make an offer to acquire from the other members their entire holding of shares in the company at the same price per share and on the same terms as are applicable to the intended disposal, provided that nothing herein contained shall be construed as obliging such other members to accept any such offer
- 9 2 1 Notwithstanding anything to the contrary in article 7, if any one or more members who hold 40 per cent or more of the nominal value of the issued ordinary share capital of the company from time to time ("**Disposer**") at any time receives a bona fide offer from a third party, under the terms of which such third party offers to purchase the entire issued share capital of the company for a price per share and on terms which do not differentiate between the Ordinary Shares then the Disposer shall upon receipt of such offer be entitled (but not obliged) to give notice of such offer in writing to the company specifying the name of the third party, the price and all other terms offered and any other details ¹⁴
- 9 2 2 The directors shall forthwith give notice in writing to each member (other than the Disposer) ("**Receiving Members**") accompanied by a copy of the notice received by them and shall invite him to state in writing to the company within 14 days from the date of the notice (which date shall be specified in the notice) whether he is willing to purchase any and, if so, how many of the Disposer's shares
- 9 2 3 If the Receiving Members (or any of them) shall within the period of 14 days referred to in article 9 2 2 agree by written notice to the directors to purchase all of the Disposer's shares, the directors shall within seven days after the expiration of

¹⁴ Amended by special resolution passed 4 January 2002

such 14 day period, notify the Disposer accordingly and the provisions of articles 7 7, 7 8, 7 9, 7 10, 7 11 and 7 12 shall then apply

- 9 2 4 If the Receiving Members (or any of them) shall not within the 14 day period referred to in article 9 2 2 agree by written notice to the directors to purchase all of the Disposer's shares, the Disposer may (notwithstanding any applications from the Receiving Members) accept the offer referred to in article 9 2 1 in accordance with its terms, at any time within two calendar months after the expiration of the period of 14 days referred to in article 9 2 1 and shall be entitled to transfer or procure the transfer of not only the Disposer's shares, but also the shares of the Receiving Members in the company to the third party
- 9 2 5 If any Receiving Member makes default in transferring his shares pursuant to this article 9 2 or in accepting payment of the price for any of his shares, the chairman for the time being of the company or, failing him, one of the directors or some other person duly nominated by a resolution of the board of directors for that purpose shall forthwith be deemed to be the duly appointed attorney of such Receiving Member with full power to execute and complete in his name and on his behalf a transfer of such shares to the third party and in such circumstances the company -
- 9 2 5 1 may receive and give a good discharge for the purchase money on behalf of the Receiving Member,
- 9 2 5 2 shall (subject to the transfer being duly stamped) enter the name of the third party in the register of members as the holder or holders by transfer of the shares so purchased by him or them,
- 9 2 5 3 shall forthwith pay the purchase money into a separate bank account in the company's name and shall hold such money in trust for such Receiving Member until he shall deliver up his certificate or certificates for such shares to the company when the company shall pay to such Receiving Member the purchase money

10 DISCLOSURE OF INTEREST IN SHARES

- 10 1 The directors may at any time require any member to furnish the company with details of the beneficial interests in the shares held by such member
- 10 2 If any person as referred to in article 10 1 has been served with a notice under that article and has failed to supply to the company the information thereby required within 14 days in relation to shares ("Default Shares"), the directors may direct in their absolute discretion at any time after the expiry of such 14 day period by means of a notice to the member holding such shares, any or all of the following -
- 10 2 1 that any dividend or part thereof or other money which would otherwise be payable in respect of the Default Shares shall be retained by the company without any liability to pay interest thereon when such money is finally paid to the member, and/or
- 10 2 2 that no transfer of any of the shares held by such member shall be registered, and/or
- 10 2 3 such member shall not be entitled in respect of any or all shares held by him to vote at a general meeting either personally or by proxy.

11 GENERAL MEETINGS

- 11 1 All general meetings other than annual general meetings shall be called extraordinary general meetings
- 11 2 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than 42 days after receipt of the requisition.
- 11 3 If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

12 NOTICE OF GENERAL MEETINGS

- 12 1 All annual general meetings and extraordinary general meetings called for the passing of a special or elective resolution shall be called by at least 21 clear days' notice
- 12 2 All other extraordinary general meetings shall be called by at least 14 clear days' notice
- 12 3 A general meeting may be called by shorter notice if it is so agreed. -
- 12 3 1 in the case of an annual general meeting by all the members entitled to attend and vote thereat, and
- 12 3 2 in the case of any other meeting by the majority in number of members having the right to attend and vote being a majority together not holding less than 95% in nominal value of the shares giving that right
- 12 4 The notice of a general meeting shall specify the time and place 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
- 12 5 Subject to the provisions of these articles and to any restrictions imposed on any shares, notice of a general meeting shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors
- 12 6 The accidental omission to give notice of a meeting to or the and receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

13 PROCEEDINGS AT GENERAL MEETINGS

- 13.1 No business shall be transacted at any meeting unless a quorum is present
- 13.2 Two¹⁵ 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 corporate member (of whom one shall be the holder or holders of a majority in nominal value of "A" Shares, one the holder or holders of a majority in nominal value of "B" Shares, one the holder or holders of a majority in nominal value of "C" Shares and one the holder or holders of a majority in nominal value of "D" Shares) shall (subject to article 13.3) be a quorum
- 13.3 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting -
- 13.3.1 if convened upon the requisition of members, shall be dissolved, or
- 13.3.2 if convened otherwise than upon the requisition of members, shall stand adjourned until the same day in the next week at the same time and place, or such other day, time and place as the directors may determine and if at the adjourned meeting a quorum is not present, or ceases to be present, then the member or members present shall be a quorum
- 13.4 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) is 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
- 13.5 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

¹⁵ Amended by special resolution passed 3 January 2001

entitled to vote shall choose one of their number to be chairman.

- 13 6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to have a casting vote in addition to any other votes he may have
- 13 7 A director shall, notwithstanding that he is not a member, be entitled to receive notices of and attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company
- 13 8 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
- 13 9 No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place
- 13 10 When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted, but otherwise it shall not be necessary to give any such notice
- 13 11 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on a declaration of the result of, the show of hands a poll is duly demanded
- 13 12 A poll may be demanded by any member having the right to vote at the meeting
- 13 13 A demand for a poll by a person as proxy for a member shall be the same as a demand by the member
- 13 14 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 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.

- 13 15 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman 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
- 13 16 A poll shall be taken as the chairman may direct and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll
- 13 17 The result of the poll (unless it was held at an adjourned meeting) shall be deemed to be the resolution of the meeting at which the poll was demanded
- 13 18 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith
- 13 19 A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, not being more than 30 days after the poll is demanded
- 13 20 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than a question on which the poll is demanded
- 13 21 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made
- 13 22 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, but in any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

14 RESOLUTIONS IN WRITING

A resolution in writing executed by all the members of the company entitled to receive notice of and to attend and vote at a general meeting or by their duly appointed proxies or attorneys -

- 14 1 shall be as valid and effectual as if it had been passed at a general meeting of the company duly convened and held, and
- 14 2 any such resolution in writing may be contained in one document or in several documents in the same terms each executed by one or more of the members or their proxies or attorneys and execution in the case of a body corporate which is a member shall be sufficient if made by a director thereof or by its duly authorised representative

15 CLASS MEETINGS

Any separate meeting for the holders of any class of shares shall be convened and conducted in all respects as nearly as possible in the same way as an extraordinary general meeting of the company provided that -

- 15 1 no member, other than a director, shall be entitled to notice of it or to attend unless he is a holder of shares of that class,
- 15 2 no vote shall be given except in respect of the shares to that class,
- 15 3 the quorum attending such meeting shall be two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of the class,
- 15 4 the quorum attending adjourned meetings shall be two persons present in person or by proxy holding shares of the class in question, and

- 15 5 a poll may be demanded in writing by any holder of shares of the class present in person or by proxy and entitled to vote and on a poll each holder shall have one vote for every share of the class in question held by him

16 VOTES

- 16 1 Subject to any rights or restrictions attached to any shares, on a show of hands every member present in person shall have one vote and on a poll every member shall have one vote for every share of which he is the holder
- 16 2 In the case of joint holders 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 for this purpose seniority shall be determined by the order in which the names of the holders stand in the register of members
- 16 3 No member shall be entitled to 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, unless all calls or other sums presently payable by him in respect of shares of the company have been paid
- 16 4 On a poll votes may be given either personally or by proxy
- 16 5 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor (or, if a corporation, under the hand of a duly authorised officer of the corporation) and shall be in such form as the directors may determine or, failing such determination, in any usual form
- 16 6 The appointment to a proxy shall not be valid and the proxy named in the instrument shall not be entitled to vote at the meeting unless the instrument appointing the proxy, together with any authority under which it is executed or a copy of such authority certified notanally or in some other way approved by the directors -

16 6 1 is deposited at the office (or 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 later 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

16 6 2 in the case of a poll taken more than 48 hours after it is demanded, is deposited as specified in article 16 6 1 after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or

16 6 3 where the poll is not taken forthwith but is taken not more than 48 hours after it is demanded, is delivered to the chairman or to the secretary or to any director at the meeting at which the poll is demanded

17 VARIATION OF CLASS RIGHTS

17 1 Whenever the capital of the company is divided into different classes of share 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 holder or holders of not less than 75 per cent. in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class, but not otherwise

17 2 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these articles or by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith

18 DIRECTORS

18 1 The number of the directors shall be determined by the company in general meeting but unless and until so determined there shall be no maximum number of directors

and the minimum number of directors shall be four.

- 18 2 A director or alternate director shall not require any share qualification and any director or alternate director who is not a member of the company shall nevertheless be entitled to receive notices of and attend and speak at any general meeting of the company and at any separate meeting of the holders of any class of shares of the company
- 18 3 A person may be appointed a director notwithstanding that he shall have attained the age of seventy years or any other age and no director shall be liable to vacate office by reason of his attaining that or any other age, nor shall special notice be required of any resolution appointing or approving the appointment of such a director or any notice be required to state the age of the person to whom such resolution relates
- 18 4 Notwithstanding any rule of law or equity to the contrary, a director who has been appointed to the board by a member or class of members pursuant to these articles or any agreement between all the members of the company from time to time to represent the interests of that member or class of members shall not be taken to be in breach of his fiduciary duty to act in the best interests of the company by reason only that, in the performance of his duties and the exercise of his powers, he has regard to the interests and acts upon the wishes of that member or class of members unless no honest and reasonable director could have formed the view that in so doing the director was also promoting the interests of the company as a whole

119 DELETED¹⁶

20 DISQUALIFICATION OF DIRECTORS

The office of a director shall be vacated in any of the following events -

- 20 1 if he resigns his office by notice in writing to the company,

¹⁶ By special resolution passed 4 January 2002

- 20.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally,
- 20.3 if 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 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,
- 20.4 if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director,
- 20.5 if he is absent from meetings of the board for six successive months without leave and his alternate director (if any) shall not during such period have attended in his stead, and the directors resolve that his office be vacated

[20.6 Deleted]¹⁷

21 POWERS OF DIRECTORS

- 21.1 Without prejudice to the powers conferred by regulation 70 of Table A, the directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the company, or of any undertaking which is or was a subsidiary undertaking of the company or allied to or associated with the company or any such subsidiary undertaking, or of any of the predecessors in business of the company or of any such other undertaking and the spouses, widows, widowers, families and dependants of any such persons, and make

¹⁷ By special resolution passed 4 January 2002

payments to, for or towards the insurance of or provide benefits otherwise for any such persons

21 2 Without prejudice to the provisions of regulation 70 of Table A and of article 28, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time -

21 2 1 directors, officers, employees or auditors of the company or of any other company which is its holding company, or in which the company or such holding company has any interest whether direct or indirect, or which is in any way allied to or associated with the company or such holding company, or of any subsidiary undertaking of the company or of such other company,

21 2 2 trustees of any pension fund in which employees of the company or of any other such company or subsidiary undertaking are interested,

including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported exercise, execution and/or discharge of their powers or duties and/or otherwise in relation to their duties, powers or offices in relation to the company or any other such company, subsidiary undertaking or pension fund

22 DIRECTORS INTERESTS

22 1 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office -

22 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested (including any insurance purchased or maintained by the company for him or for his benefit),

22 1 2 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

22 1 3 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 such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

22 2 For the purposes of article 22 1 -

22 2 1 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

22 2 2 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

23. PROCEEDINGS OF DIRECTORS

23 1 Subject to the provisions of these articles the directors may regulate their proceedings as they think fit

23 2 A director may, and the secretary at the request of a director shall, call a meeting of the directors

23 3 The quorum necessary for the transaction of the business of the directors shall be four If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine and if at the adjourned meeting a quorum is not present

within half an hour from the time appointed for the meeting the director or directors present shall be a quorum¹⁸

23.4 Questions arising at a meeting shall be decided by a majority of votes.

[23.5 Deleted]¹⁹

23.6 If there is no director holding the office of chairman, or if the director holding it, having had notice of a meeting, is not present within five minutes after the time appointed for it, the directors present shall appoint one of their number to be chairman of the meeting

23.7 A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote

23.8 Unless otherwise agreed by the directors in any particular case, at least three clear days' notice in writing shall be given to each director of every meeting of the directors. Every such notice shall contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and be accompanied by any relevant papers for discussion at such meeting. Unless all the directors (or their alternates) for the time being are present at a meeting no business or resolution shall be transacted or passed at that meeting except as was fairly disclosed in the agenda for such meeting

23.9 An alternate director who is not himself a director may, if his appointor is not present, be counted towards the quorum

23.10 A meeting of the directors shall, subject to notice thereof having been given in accordance with these articles, for all purposes, be deemed to be held when a director is or directors are in communication by telephone or television (or any other form of audio-visual linking) with another director or directors and all of the directors in communication agree to treat the meeting as so held, if the number of the

¹⁸ Amended by special resolution passed 4 January 2002

directors in communication constitutes a quorum of the board in accordance with these articles. A resolution passed by the directors at such a meeting as specified in this article 23 12 shall be as valid as it would have been if passed at an actual meeting duly convened and held

23 11 A resolution in writing executed 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 may be contained in one document or in several documents in the same terms each executed by one or more directors, but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not be executed by the alternate director in that capacity

23 12 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 -

23.12 1 shall declare the nature of his interest at a meeting of the directors in accordance with section 317 of the Act,

23 12 2 subject to such disclosure, shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present

24 ALTERNATE DIRECTORS

24 1 Any director may at any time by writing under his hand and deposited at the office, or delivered at a meeting of the directors, appoint any person (including another director) to be his alternate director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the directors shall have effect only upon and subject to being so approved

¹⁹ By special resolution passed 4 January 2002

- 24 2 The appointment of an alternate director shall determine on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases to be a director
- 24 3 An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he (instead of his appointor) were a director
- 24 4 If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative
- 24 5 If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, the execution, by an alternate director of any resolution in writing of the directors shall be as effective as the execution by his appointor
- 24 6 To such extent as the directors may from time to time determine in relation to any committees of the directors, the foregoing provisions of this article [16] shall also apply mutatis mutandis to any meeting of such committee of which the appointor of an alternate director is a member
- 24 7 An alternate director shall not (save as provided in this article 24) have power to act as a director nor shall he be deemed to be a director for the purposes of these articles, but he shall be an officer of the company and shall not be deemed to be the agent of the director appointing him
- 24 8 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a director, but he shall not be entitled to

receive from the company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the company from time to time direct

25 EXECUTION OF DOCUMENTS

Where the Act so permits, any instrument signed by one director and the secretary or by two directors and expressed to be executed by the company as a deed shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the directors or of a committee authorised by the directors in that behalf

26 DIVIDENDS

The directors may deduct from any dividend payable on or in respect of a share all sums of money presently payable by the holder to the company on any account whatsoever

27 NOTICES

- 27 1 A notice may be given by the company to any member in writing either by hand or by sending it by pre-paid first class post or facsimile telecopier ("fax") to his registered address within the United Kingdom or to his fax number supplied by him to the company for the giving of notice to him. In the absence of such address or fax number the member shall not be entitled to receive from the company notice of any meeting
- 27 2 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

27.3 Notices shall be deemed to have been received -

27.3.1 if delivered by hand, on the day of delivery,

27.3.2 if sent by first class post two business days after posting exclusive of the day of posting,

27.3.3 if sent by fax at the time of transmission or, if the time of transmission is not during the addressee's normal business hours, at 9.30 a.m. on the next business day

28 INDEMNITY

Subject to the provisions of and so far as may be permitted by the Act, every director, auditor, secretary or other officer of the company shall be entitled to be indemnified out of the assets of the company against all costs, charges, losses, expenses and liabilities incurred or sustained by him in the execution and discharge of his duties or otherwise in relation thereto. Regulation 118 of Table A shall be extended accordingly.

