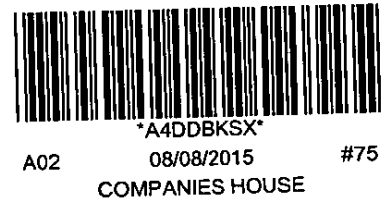


Company No 4286449

THE COMPANIES ACTS 1985 to 2006

SATURDAY



PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
- of -
FOUR COMMUNICATIONS LIMITED

Adopted by Special Resolution dated

2014

PRELIMINARY

- 1 No regulations for management of a company set out in any statute or subordinate legislation concerning companies shall apply to the Company and the following shall be the articles of association of the Company.
2. In these Articles
- 2.1 if not inconsistent with the subject or context (1) words importing the singular number include the plural, and vice versa; (2) words importing one gender include any gender, (3) references to statutory provisions shall be construed as referring to those provisions as amended or re-enacted and from time to time in force, and (4) save for the words standing in the first column of the table below which shall bear the meanings set opposite to them respectively in the second column thereof, any words or expressions defined in the Act shall bear the same meaning as therein given to them but excluding any statutory modification thereof not in force at the date of adoption by the Company of these Articles;

WORDS

MEANINGS

"the Act"

the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force,

"the Articles"

these Articles of Association as herein contained or as from time to time altered;

"the 'A' Shares"	the 'A' shares of £1 each in the share capital of the Company from time to time,
"'A' Shareholder"	a holder of 'A' Shares,
"the Auditors"	the Company's auditors from time to time,
"Bad Leaver"	any Shareholder being an Employee Shareholder where the relevant individual ceases to be an employee in circumstances in which the relevant individual's contract of employment is validly terminated by reason of.- <ul style="list-style-type: none"> (a) gross misconduct by the relevant individual; or (b) the relevant individual being guilty of fraud or dishonesty; or (c) the relevant individual being convicted of any criminal offence (excluding an offence under road traffic legislation in the United Kingdom or elsewhere in respect of which a custodial sentence is not imposed on him) which in the reasonable opinion of the holders of all of the 'A' Shares (or where the employee concerned is an 'A' Shareholder, 100% of the other 'A' Shareholders) would bring the Company into serious disrepute; or (d) the relevant individual becoming prohibited by law from being a director of any company; or (e) the relevant individual having served notice of termination of his employment with the Company and setting up in competition to the Company directly or indirectly as an employee, shareholder, partner, or consultant;
"the 'B' Shares"	the 'B' Shares of £1 each in the share capital of the Company from time to time;
"'B' Shareholder"	a holder of 'B' Shares;
the "'C' Division"	the Public Affairs Practice of the Company,
"Condition"	the Enterprise Value being greater than or equal to £20,500,000,
"Connected Person"	as defined by Section 839 of the Income and Corporation Taxes Act 1988;

"the 'C' Shares"	the 'C' Shares of £1 each in the share capital of the Company from time to time ;
"'C' Shareholder"	a holder of 'C' Shares,
the "'C' Share Value"	the total value of all the issued 'C' Shares shall be equal to 35% of the Value of the 'C' Division,
"deemed transfer notice"	a transfer notice deemed to be given under any provision of these Articles or any Relevant Agreement;
the "Directors"	the 'A' Directors appointed by each holder of 'A' Shares from time to time;
the "directors"	the directors of the Company from time to time;
"Divisional Shares"	the Divisional Shares of £1 each in the capital of the Company being of classes 'C' to 'N', but excluding the 'D' Shares which shall not be considered to be Divisional Shares, having the rights and being subject to the restrictions set out in Article 4 or any board minute of the directors by which such shares are allocated;
"the 'D' Shares	the 'D' Shares of £1 each in the share capital of the Company from time to time,
"'D' Shareholder"	a holder of 'D' Shares,
"Eligible Director"	Nan Williams and Chris O'Donoghue,
"Employee"	an individual who is employed by the Company or any of its subsidiaries,
"Employee Shareholder"	a shareholder who is an Employee or is a Connected Person in relation to an employee,
"Enterprise Value"	<p>the valuation of the entire issued share capital of the Company as (a) agreed by the holders of the 'A' Shares or (b) in the absence of such agreement within 21 days after any request for such valuation is made, as determined by an independent Chartered Accountant (the "Accountant") who shall be nominated by the Company.</p> <p>The Accountant shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members.</p> <p>The Accountant will determine what in his professional opinion is the Enterprise Value as at the date of his valuation on the following assumptions and bases:-</p>

- valuing the shares as on an arm's length sale between a willing vendor and a willing purchaser;
- if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- that the shares are capable of being transferred without restriction;

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Accountant in such manner as he shall in his absolute discretion think fit.

The Company will use its best endeavours to procure that the Accountant determines the Enterprise Value within 21 days of being requested to do so

The costs and expenses of the Accountant in determining the Enterprise Value and of his appointment shall be borne by the holders of the 'P' Shares;

"the 'E' Shares"	the 'E' Shares of 10p each in the share capital of the Company from time to time;
"executed"	includes any mode of execution;
"the 'F' Shares"	the 'F' Shares of £1 each in the share capital of the Company from time to time;
"the 'G' Shares"	the 'G' Shares of £1 each in the share capital of the Company from time to time;
"the holder"	in relation to shares means a member whose name is entered in the register of members as the holder of the shares;
"the 'H' Shares"	the 'H' Shares of £1 each in the share capital of the Company from time to time;
"the 'I' Shares"	the 'I' Shares of £1 each in the share capital of the Company from time to time,
"the 'J' Shares"	the 'J' Shares of £1 each in the share capital of the Company from time to time,
"the 'K' Shares"	the 'K' Shares of £1 each in the share capital of the Company from time to time;

"Listing"	the admission of the share capital of the Company (or any part thereof) to the official list of The UK Listing Authority, to AIM or to be traded or listed on any other recognised stock exchange or market,
"the 'L' Shares"	the 'L' Shares of £1 each in the share capital of the Company from time to time;
"Nominated Director"	a director appointed by a holder of 'A' Shares and holding office from time to time and, unless otherwise stated, includes his duly appointed alternates;
"the 'N' Shares"	the 'N' Shares of £1 each in the share capital of the Company from time to time,
"Office"	the registered office for the time being of the Company;
"paid up"	paid up or credited as paid up,
"the 'P' Shares"	the 'P' Shares of £1 each in the share capital of the Company from time to time;
"'P' Shareholder"	a holder of 'P' Shares;
"Relevant Agreement"	any agreement which is binding from time to time on the Company and which (expressly or by implication) supplements and/or prevails over any provision of these Articles;
"Remuneration Committee"	the remuneration committee of the Company in place from time to time;
"Sale"	sale of 100% of the issued share capital of the Company,
"Seal"	the common seal of the Company or if appropriate any official seal which the Company may have pursuant to Section 50 of the Act;
"Secretary"	the secretary of the Company and (subject to the provisions of the Act) any other person appointed by the directors to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary,
"Securities Seal"	an official seal which is a facsimile of the Company's common seal with the addition on its face of the word "Securities";
"shareholder"	a holder of shares in the Company of any class;
"share" and "shares"	a share in the capital of the Company and the shares shall be construed accordingly;

"Share Value"	the value of a class of Divisional Shares in a Division, as defined either in these Articles (e.g. "'C' Share Value"), or as defined by the Directors pursuant to Article 4.3.6;
"Staff Shares"	Staff Shares of 10p each in the share capital of the Company from time to time;
"Staff Shareholder"	a holder of Staff Shares;
"Staff Value"	the nominal value of all issued Staff Shares;
the "Total Divisional Share Value"	the aggregate Share Value of all issued Divisional Shares at the relevant time,
"Transfer Price"	the transfer price for shares determined in accordance with Article 29,
"the United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"Value of any Division"	<p>(i) in circumstances where there is a Sale then the Value of any Division shall be equal to the proportion of the proceeds resulting from such Sale which the Directors attribute at the time of a Sale to any Division, and the Directors shall act in good faith and shall have regard to the relative profits contributed by such Division to the total profits of the Company,</p> <p>(ii) in circumstances where there is no Sale then the Value of such Division shall be determined by the Directors acting in good faith and having regard to the relative profits contributed by such Division to the total profits of the Company; and</p>
"in writing"	written, or produced by any other mode of reproducing or representing words in a permanent visible form, or partly one and partly another.

- 2 2 Where for any purpose an ordinary resolution of the Company is required a special resolution shall also be effective.
- 2 3 Headings are for ease of reference only and shall not affect the construction of these Articles

LIABILITY OF SHAREHOLDERS

3. The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them.

CAPITAL

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- 4 1 The share capital of the Company at the date of the adoption of these Articles is divided into 'A' Shares, 'B' Shares, 'C' Shares, 'D' Shares, 'E' Shares, 'F' Shares, 'G' Shares, 'H' Shares, 'I' Shares, 'J' Shares, 'K' Shares, 'L' Shares, 'N' Shares, 'P' Shares and 10 pence Staff Shares.
- 4 2 The 'A' Shares, the 'B' Shares, the 'P' Shares and the Staff Shares and each class of the Divisional Shares shall be separate classes of shares and shall carry the respective voting rights and rights to appoint and remove directors and be subject to the restrictions on transfer hereinafter provided, but, save as provided in these Articles, shall in all other respects rank *pari passu*.
- 4 3 The rights attached to the 'A' Shares, the 'B' Shares, the 'P' Shares, the 'D' Shares and the Staff Shares and the Divisional Shares are as follows:-

4.3.1 As regards income:

- a) No dividend may be declared upon the 'A' Shares unless a dividend of the same amount per share is at the same time declared upon the 'B' Shares and (subject to the satisfaction of the Condition as at the date on which a dividend is declared) the 'P' Shares and any dividend purported to be declared upon the 'A' Shares only shall be deemed to be declared upon both the 'A' Shares and the 'B' Shares and (subject to the satisfaction of the Condition as at the date on which a dividend is declared) the 'P' Shares and shall be distributed between the holders of the 'A' Shares, the holders of the 'B' Shares and (subject to the satisfaction of the Condition as at the date on which a dividend is declared) the holders of the 'P' Shares on a pro-rata basis according to the respective numbers of 'A' Shares, 'B' Shares and (subject to the satisfaction of the Condition as at the date on which a dividend is declared) 'P' Shares in issue.
- b) Subject to Article 4.3.1a) above, a different dividend may be declared upon the Staff Shares and each separate class of the Divisional Shares save that the 'D' Shareholder shall be deemed to be holding 4,000 Staff Shares for the purposes of calculating any dividend.

4.3.2 As regards capital

- a) In a winding up of the Company after the payment of all the Company's creditors the Staff Shares and the 'D' Shares shall only be entitled to the nominal amount paid up thereon save that the 'D' Shareholder shall be deemed to hold 4,000 Staff Shares for these purposes and the 'A' Shares, the 'B' Shares and, subject to these Articles, each separate class of the Divisional Shares shall rank *pari passu* in respect of the repayment of the nominal amount and any premium paid to the Company in respect of the same and any surplus arising upon the liquidation of the Company; and
- b) Subject to the satisfaction of the Condition as at the date of the winding up, the 'P' Shares shall rank *pari passu* with the 'A' Shares, the 'B' Shares and, subject to these Articles, each separate Class of

the Divisional Shares, in respect of the amount (if any) by which the Enterprise Value exceeds £20,500,000

4.3.3 As regards voting:

- a) The 'A' Shares and the 'P' Shares shall confer on the holders thereof the right to attend and vote at all general meetings of the Company and to receive notices in respect thereof. On a show of hands every holder of 'A' Shares and every holder of 'P' Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every 'A' Share and for every 'P' Share of which he is the holder;
- b) The 'B' Shares shall not confer on the holders thereof any right to attend or vote at general meetings of the Company or to receive notices thereof nor any right to appoint or remove any of the directors; and
- c) The Divisional Shares, the 'D' Shares and the Staff Shares shall not confer on the holders thereof any right to attend or vote at general meetings of the Company or to receive notices thereof nor any right to appoint or remove any of the directors.

4.3.4 As regards a Sale

- a) on any Sale the 'A' Shares and 'B' Shares shall rank *pari passu*;
- b) on any Sale of Divisional Shares which are in issue there shall be attributed to such Divisional Shares the Share Value for such class of Divisional Shares,
- c) on any Sale of Staff Shares which are in issue, there shall be attributed the open market value of such Staff Shares, determined in accordance with Article 29.1;
- d) on any Sale of 'D' Shares which are in issue, there shall be attributed the equivalent open market value of 4,000 Staff Shares, determined in accordance with Article 29.1;
- e) on any Sale, subject to the satisfaction of the Condition as at the date of the Sale, the 'P' Shares shall rank *pari passu* with the 'A' Shares and 'B' Shares in respect of the amount (if any) by which the Enterprise Value exceeds £20,500,000

4.3.5 As regards information:

- a) The Company shall deliver to each Divisional Shareholder within 60 days of the end of each calendar month a pack comprising the monthly management accounts for the relevant Division for the month which shall include management accounts for the relevant year to date
- b) Any dispute between the Company and the Divisional Shareholders as to the contents of the management accounts for the Division will

be determined by the Remuneration Committee, whose written determination shall be final and binding on the members

- c) The Company will use its best endeavours to procure that the Remuneration Committee produces its written determination within 21 days of being requested to do so.

4.3.6 As regards rights attaching to unissued Divisional Shares:

The Directors shall have power to determine in Board Meeting to set out the following rights which apply to any class of Divisional Shares which is not already linked to a Division pursuant to these Articles (or pursuant to any board meeting following the date of adoption of these Articles):-

- a) the Division to which such class of Divisional Shares should be linked;
- b) the "Share Value" of such Division;
- c) the "Transfer Price" for shares in such Division

All Divisional Shares shall rank *pari passu* in all other respects in relation to all other classes of Divisional Shares. Any exercise by the Directors of their power under this Article 4.3.6 shall not amount to a variation of rights of any other holder of shares in the Company of any class (including any holder of Divisional Shares)

4.3.7 On a Listing

On a Listing, the Directors shall convert the entire issued share capital of the Company into such numbers of ordinary shares of such nominal amounts as the directors shall determine applying the formulae as if there was a Sale. Such conversions shall be effected on a fair and reasonable basis in order to reflect the relative values of each of the various classes of shares. In the case of any dispute this shall be settled by the Auditors.

VARIATION OF RIGHTS

- 5 Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the agreement of 75% of the 'A' shareholders, whether or not the Company is being wound up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision with the sanction of a resolution passed at a separate general meeting of the holders of the shares of the class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question or one person where there is only one person holding 100% of the issued shares of that class and at an adjourned meeting of any meeting requiring the former, one person holding shares of the class in question or his proxy and that any holder of shares of the class in question present in person or by proxy may demand a poll PROVIDED THAT this right shall not apply to any exercise by the Directors of their powers under Article 4.3.6 above

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6. The rights conferred upon the holders of any class of shares issued with preferred or other special rights shall (unless otherwise expressly provided by these Articles or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* therewith or subsequent thereto.

SHARES

7

- 7.1 At any time when the Company has more than one class of Shares, in accordance with section 551 of the Act, the directors are generally and unconditionally authorised to allot Shares (or grant rights to subscribe for or to convert any security into Shares) up to an aggregate nominal amount of £100,000 for a period of five years after the date the resolution is passed adopting these Articles, (unless previously renewed, varied or revoked by Ordinary Resolution)
- 7.2 The Company may, before the expiry of the authorisation, make an offer or agreement which would or might require Shares to be allotted (or any such rights to be granted) after such expiry and the directors may allot Shares (or grant any such rights) in pursuance of such offer or agreement as if this authority had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act
- 7.3 Save as otherwise provided in these Articles and subject to any Relevant Agreement, and/or otherwise directed by the Company in general meeting, all shares which the directors are authorised (by these Articles or otherwise) to allot shall be at the disposal of the directors who may allot, grant options over, offer or otherwise deal with or dispose of them to such persons, at such times and generally on such terms and conditions as they may determine subject to the consent of holders of 75% of the 'A' Shares and also any Eligible Director who at the relevant time retains their loan facilities available to the Company.
- 7.4 The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders.
- 7.5 Subject to the provisions of the Act and subject to the approval by means of a special resolution passed at a separate class meeting of the holders of any class of convertible shares the Company shall have power to purchase its own shares, including any redeemable shares.
- 8 In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Act in paying commissions to persons subscribing or procuring subscriptions for shares in the Company, or agreeing so to do, whether absolutely or conditionally; provided that the rate, per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and shall not exceed 10 per cent. of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
9. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial

interest in any share, or (except only as provided by these Articles or as required by law) any interest in any fractional part of a share or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder

CERTIFICATES

10.

- a) Every person whose name is entered as a member in the register of members (except a stock exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such fee (if any) not exceeding 25 pence for every certificate after the first as the directors shall from time to time determine, to several certificates, each for one or more of his shares. Every certificate shall be issued within two months after allotment or the lodgement with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide, and shall be under the Seal or an official seal kept under Section 50 of the Act or be signed by a Director or otherwise executed in accordance with the Act and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon. The Company shall not be bound to register more than four persons as the joint holders of any share or shares and, in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to the first named joint holders shall be sufficient delivery to all. Where a member transfers part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding without charge.
- b) Any share certificate and any certificate for debentures of the Company which has been approved for sealing by the directors or a committee of the directors need not (save to the extent that the terms and conditions for the time being relating to any debentures of the Company otherwise require) be signed or countersigned by any person. Subject as aforesaid, any such certificate may, if the directors so determine, bear signatures affixed by some mechanical system or process or the names of the Company's issuing agents.

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

CALLS ON SHARES

- 12. The directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and each member shall (subject to being given at least twenty one days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares

13. A call may be made payable by instalments. A call may be postponed and a call may be wholly or in part revoked as the directors may determine. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is so fixed, at the base rate from time to time of HSBC Bank plc or at such lower rate as the directors may agree to accept, but the directors shall be at liberty to waive payment of such interest wholly or in part.
15. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium or as an instalment of a call, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and, in case of non payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
16. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and any such payment in advance of calls shall extinguish, so far as the same shall extend but subject as in these Articles provided, the liability upon the shares in respect of which it is advanced; and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate not exceeding the base rate from time to time of Barclays Bank PLC as the member paying such sum and the directors agree.

FORFEITURE, SURRENDER AND LIEN

18. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non payment at or before the time and at the place appointed the shares on which the call was made will be liable to be forfeited.
19. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the directors to that effect, and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not

actually paid before the forfeiture. The directors may accept a surrender of any shares liable to be forfeited hereunder.

20. Subject to the provisions of the Act, a share so forfeited or surrendered may be sold, reallocated or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the directors shall think fit. At any time before a sale, reallocation or disposal, the forfeiture or surrender may be cancelled on such terms as the directors think fit. The directors may, if they think fit, authorise some person to execute an instrument of transfer of a forfeited or surrendered share to any other person as aforesaid.
21. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall notwithstanding such forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares, with interest thereon, unless and to the extent that the directors resolve to waive interest, at the rate at which interest was payable on those monies before the forfeiture or, if no interest was so payable, at the base rate from time to time of HSBC Bank PLC or at such lower rate as the directors may agree to accept from the date of forfeiture or surrender until payment, and the directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may resolve that any share shall for some specified period be wholly or in part exempt from the provisions of this Article.
23. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares.
24. The net proceeds of such sale, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser thereof.
25. A statutory declaration in writing that the declarant is a director or the secretary of the Company and that a share has been duly forfeited or surrendered or sold whether to satisfy a lien of the Company or otherwise on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale,

reallotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of an instrument of transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, reallotment or disposal of the share

TRANSFER OF SHARES

26. No member shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share (save as may be required in pursuance of his obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any share or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things except (but subject always to Article 26 6 and Article 30.6).
- 26 1 as permitted by Articles 27, 28, 30, 31 and 32;
- 26.2 as permitted by a Relevant Agreement.
- 26 3 If a member at any time attempts to deal with or dispose of a share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he shall be deemed immediately prior to such attempt to have given a transfer notice in respect of such share
- 26 4 For the purpose of ensuring that a particular transfer of shares is permitted hereunder the directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the directors may think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.
- 26 5 Where a transfer notice in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 28 shall apply accordingly.
- 26.6 The directors shall not refuse to register any transfer of a share which is permitted under these Articles but may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted hereunder if it is a transfer of a share on which the Company has a lien.
- 26 7 If a member or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a transfer notice he shall forthwith give written notice thereof to the directors.
- 26 8 In the event of any dispute in relation to the interpretation of this Article 26 or any part thereof, the Chairman of the Company shall rule on such dispute. His decision shall be final and binding, taking into account the arguments put forward by members save where the Chairman is a party to the dispute, and in that case the dispute shall be referred to the president for the time being of the Institute of

Chartered Accountants in England and Wales or, if he is not available, the next most senior officer, who shall act as expert and not arbitrator and whose decision shall be final and binding on all members.

PERMITTED TRANSFERS

27

- 27 1 Any member may at any time transfer all or any of his shares to any person with the prior written consent of all the holders of 'A' Shares.
- 27 2 Unless all the members otherwise agree, no transfer of any share permitted by this Article shall be made during the active period of any transfer notice or deemed transfer notice in respect of such share (and for this purpose "**active period**" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations pursuant, directly or indirectly, to that notice).

PRE-EMPTION RIGHTS

28

28.1

- 28.1.1 Except for a transfer of shares which is permitted under these Articles, no share shall be transferred until the following conditions of this Article are complied with
- 28.1.2 The holders of 'A' Shares, the holders of 'B' Shares and the holders of the 'P' Shares may transfer shares to the holders of the 'A' Shares only unless otherwise agreed in writing by all the holders of the 'A' Shares.
- 28 1 3 The holders of the Divisional Shares may only transfer shares to the Company or any person or persons whom the Board may determine at their discretion (including an employee benefit trust for the benefit of inter alia employees of the Company) (a "**Nominated Person**") unless otherwise agreed in writing by all the holders of the 'A' Shares
- 28.1.4 The holders of Staff Shares may only transfer shares to the Company unless otherwise agreed in writing by the holders of the 'A' Shares.
- 28 1 5 Any member proposing to transfer a share (the "**proposing transferor**") shall be obliged to give notice in writing ("**transfer notice**") to the directors that the proposing transferor desires to transfer all of the shares then held by him. In the transfer notice the proposing transferor shall specify the number and class of shares which the proposing transferor desires to transfer (the "**Transfer Shares**").
- 28.1.6 The transfer notice shall constitute the Company (by its board of directors) as the agent of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given a transfer notice may not be revoked save with the prior written consent of all the holders of 'A' Shares

- 28.2 Within seven days after the receipt of a transfer notice (in relation to 'A' Shares or 'B' Shares or 'P' Shares) the directors shall serve a copy of that transfer notice on, all the holders of 'A' Shares other than the proposing transferor. In the case of a deemed transfer notice the directors shall similarly serve notice on all the holders of 'A' Shares (and the proposing transferor), notifying them that the same has been deemed to have been given, within 2 months after (i) the date of the event giving rise to the deemed transfer notice or (ii) (if later) the date on which the directors actually become aware of such event. Notice need not be given to the holders of 'A' Shares in the case of a transfer notice or a deemed transfer notice being given in relation to the Divisional Shares, 'D' Shares or the Staff Shares
- 28.3 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price (the "**Transfer Price**") determined in accordance with Article 29.
- 28.4 If the determination of the Transfer Price is referred to the Expert the date of determination of the Transfer Price (the "**Determination Date**") shall be the date on which the directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement pursuant to Article 29.1 then the Determination Date shall be the date on which such agreement is made. If the Transfer Price is determined by the Remuneration Committee pursuant to Articles 29.2.3a) or 29.3.3a), then the Determination Date shall be the date of such determination by the Board
- 28.5 Within 7 days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to, in the case of the 'A' Shares, 'B' Shares or 'P' Shares the holders of 'A' Shares who at the date of the offer are registered as the respective holders of 'A' Shares (other than (a) the proposing transferor and (b) any member to whom under Article 30 shares may not be transferred) in proportion to the number of 'A' Shares then held by them respectively, or in the case of Divisional Shares, 'D' Shares or Staff Shares to the Nominated Person. Every such offer shall in the case of the 'A' Shares, 'B' Shares or 'P' Shares be made in writing and shall specify (a) the total number of Transfer Shares, (b) the number of Transfer Shares offered to the member ("**Pro-Rata Entitlement**"), (c) a period (being not less than 14 days and not more than 21 days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro-Rata Entitlement and for any shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period, the directors shall allocate the Transfer Shares in the following manner -
- 28.5.1 in the case of the 'A' Shares, 'B' Shares and 'P' Shares to each holder of 'A' Shares who has agreed to purchase shares, his Pro-Rata Entitlement or such lesser number of Transfer Shares for which he may have applied,
- 28.5.2 in the case of the 'A' Shares, 'B' Shares and 'P' Shares if any holder of 'A' Shares has applied for less than his Pro-Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of shares of the class then held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 28.5.2 without taking account of any member whose application has already been satisfied in full;

- 28 5.3 in the case of the Divisional Shares, 'D' Shares or Staff Shares to any Nominated Person,
- 28 5 4 If any of the Transfer Shares shall not be capable of being offered or allotted without involving fractions, the same shall be offered to or allocated amongst the persons who are entitled to receive the Transfer Shares, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.
- 28 6 If the directors have not received acceptances in respect of all of the Transfer Shares or have not found a Nominated Person within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor and such of the Transfer Shares for which acceptances have been received shall be transferred by the directors. Subject as provided below, with regard to 'A' Shares or (in the case of 'B' Shares, 'P' Shares or Divisional Shares, with the prior consent of the holders of all 'A' Shares) 'B' Shares, 'P' Shares or Divisional Shares the proposing transferor may within a period of 6 months after the date of the directors' said notice sell all or some of the unsold Transfer Shares to any holder of 'B' Shares, 'P' Shares or Divisional Shares or any employee of the Company or to any employee benefit trust of the Company as the Board shall in its discretion determine and thereafter if any such Transfer Shares remain unsold, the proposed transferor either (i) may sell (in the case of 'B' Shares, 'P' Shares or Divisional Shares, with the prior consent of the holders of all 'A' Shares) such unsold shares to any person who is not a competitor of the Company or a continuing member at any price which is not less than the Transfer Price (after deducting, where appropriate, any net dividend or other distribution to be retained by the proposing transferor)), or (ii) may offer the shares for sale at a price lower than the Transfer Price, at which time such shares must be offered in the same order as set out in Article 28.5 onwards. Any 'A' Shares transferred by an 'A' Shareholder to any holder of 'B' Shares or Divisional Shares or employee of the Company or third party shall upon completion of such transfer, convert into 'B' Shares ranking pari passu with issued 'B' Shares in the Company from time to time.
- 28 7 If, by the foregoing procedure, the directors shall receive acceptances in respect of all or some of the Transfer Shares as the case may be, the directors shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the member or members who have agreed to purchase the same ("**purchaser**" or "**purchasers**") and the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor (whose receipt shall be a good discharge to the purchaser, the Company and the directors therefor, none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each purchaser, the number of Transfer shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than 7 days nor more than 14 days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors
- 28.8 Following the purchase of 'B' Shares by any holder of 'A' Shares, the 'B' Shares so transferred shall immediately following completion of such purchase be converted into 'A' Shares which shall rank pari passu with the issued 'A' Shares in the capital of the Company from time to time
- 28.9 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may

authorise some person (who is (as security for the performance of the proposing transferor's obligations) hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person

- 28 10 Without prejudice to the generality of Article 26.4, the directors may require to be satisfied that any shares being transferred by the proposing transferor are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

CALCULATION OF TRANSFER PRICE

29.

- 29.1 Unless a Relevant Event has occurred pursuant to Article 30 below and in which case the Transfer Price is then calculated pursuant to Article 29.2 onwards, the Transfer Price shall be such price as shall be agreed in writing between the proposing transferor and the Company or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 21 days after the service of a transfer notice pursuant to Article 28.1.5 the Transfer Price will be determined by an independent Chartered Accountant of not less than five years standing (the "**Expert**") who shall be nominated by agreement between the Company and the transferor or failing such nomination within 14 days after the request of any of the Company or the transferor to the other therefor nominated at the request of any such member by the President from time to time of the Institute of Chartered Accountants in England and Wales (or, if he is not available, the next most senior officer). The Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members

The Expert will determine what in his professional opinion is the open market value of the Transfer Shares as at the date of the transfer notice on the following assumptions and bases -

- 29.1.1 valuing the Transfer Shares as on an arm's length sale between a willing vendor and a willing purchaser,
- 29.1.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- 29.1.3 that the Transfer Shares are capable of being transferred without restriction,
- 29.1.4 valuing the Transfer Shares as a rateable proportion of the total value of all the issued shares of the Company which value shall not be discounted or enhanced by reference to the class of the Transfer Shares or the number thereof,

- 29.1.5 on the assumption that the proposing transferor was not a Bad Leaver, such that the relevant formula in Article 29 may be used as guidance accordingly.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit.

The Company will use its best endeavours to procure that the Expert determines the Transfer Price within 21 days of being requested to do so

The costs and expenses of the Expert in determining the Transfer Price and of his appointment shall be borne by the members in proportions to their shareholding in the Company, or, if different, as the Expert determines unless none of the Transfer Shares are purchased by the members by reason of the operation of Article 28 or in the case that the proposing transferor revokes the transfer notice in which event the proposing transferor shall pay all of such costs and expenses.

- 29.2 The Transfer Price for the sale of shares in the Company by any 'A' Shareholder shall be as follows

29.2.1 In circumstances where the 'A' Shareholder is to be treated as a Bad Leaver the Transfer Price shall be determined by calculating the average of the preceding four years post tax profits multiplying such average by four, then deducting the Total Divisional Share Value and the Staff Value, then dividing such resulting figure by the aggregate number of issued 'A' Shares and 'B' Shares and multiplying that result by the number of 'A' Shares and 'B' Shares being transferred, and then subtracting 30% of such total;

29.2.2 In circumstances where the 'A' Shareholder is not to be treated as a Bad Leaver and the Employee has served notice of termination of his employment to the Company and subject always to the discretion of the Board

- a) the Transfer Price shall be at open market value, determined in accordance with Article 29 1,
- b) if the proposed transferor disagrees with the Transfer Price determined pursuant to Article 29 2, the valuation of the Transfer Price shall be referred to the Expert for determination in accordance with Article 29 1 whose determination shall be final and binding on the proposed transferor and the Company and the costs incurred by the Expert shall be borne by the proposed transferor.

29.2.3 In circumstances where the 'A' Shareholder is not to be treated as a Bad Leaver and the Company has served notice of termination of his employment to the Employee with the prior written consent of the holders of all of the 'A' Shares other than the proposed transferor.

- a) the Transfer Price shall be determined by the Remuneration Committee,
- b) if the proposed transferor disagrees with the Transfer Price determined pursuant to Article 29 2 3a), the valuation of the Transfer Price shall be referred to the

Expert for determination in accordance with Article 29.1 whose determination shall be final and binding on the proposed transferor and the Company and the costs incurred by the Expert shall be borne by the proposed transferor

29.3 The Transfer Price for the sale of shares in the Company by any 'B' Shareholder shall be as follows:

29.3.1 In circumstances where the 'B' Shareholder is to be treated as a Bad Leaver the Transfer Price shall be determined by calculating the average of the preceding four years post tax profits of the Company multiplying such average by four, then deducting, the Total Divisional Share Value and the Staff Value, then dividing such resulting figure by the aggregate number of issued 'A' Shares and 'B' Shares and multiplying that result by the number of shares being transferred, and then subtracting 30% of such total,

29.3.2 In circumstances where the 'B' Shareholder is not to be treated as a Bad Leaver and the Employee has served notice of termination of his employment to the Company and subject always to the discretion of the Board

a) the Transfer Price shall be at open market value, determined in accordance with Article 29.1;

b) if the proposed transferor disagrees with the Transfer Price determined pursuant to Article 29.3, the valuation of the Transfer Price shall be referred to the Expert for determination in accordance with Article 29.1 whose determination shall be final and binding on the proposed transferor and the Company and the costs incurred by the Expert shall be borne by the proposed transferor.

29.3.3 In circumstances where the 'B' Shareholder is not to be treated as a Bad Leaver and the Company has served notice of termination of his employment to the Employee with the prior written consent of the holders of all of the 'A' Shares other than the proposed transferor.

a) the Transfer Price shall be determined by the Remuneration Committee,

b) If the proposed transferor disagrees with the Transfer Price determined pursuant to Article 29.3.3b), the valuation of the Transfer Price shall be referred to the Expert for determination in accordance with Article 29.1 whose determination shall be final and binding on the proposed transferor and the Company and the costs incurred by the Expert shall be borne by the proposed transferor.

29.4 The Transfer Price for the sale of the 'C' Shares in the Company by any of the 'C' Shareholders shall be as follows:-

29.4.1 In circumstances where the shareholder is to be treated as a Bad Leaver the Transfer Price shall be determined by calculating the average of 35% of the preceding four years post tax profits of the 'C' Division,

multiplying such average by four, then dividing such resulting figure by the number of issued and unissued 'C' Shares in the Company, then multiplying that result by the number of shares being transferred, and then subtracting 30% of such total,

- 29 4 2 In circumstances where the 'C' Shareholder is not to be treated as a Bad Leaver and the Employee has served notice of termination of his employment to the Company and subject always to the discretion of the Board:
- a) the Transfer Price shall be at open market value, determined in accordance with Article 29 1,
 - b) If the proposed transferor disagrees with the Transfer Price determined pursuant to Article 29.4, the valuation of the Transfer Price shall be referred to the Expert for determination in accordance with Article 29.1 whose determination shall be final and binding on the proposed transferor and the Company and the costs incurred by the Expert shall be borne by the proposed transferor
- 29 4 3 In circumstances where the 'C' Shareholder is not to be treated as a Bad Leaver and the Company has served notice of termination of his employment to the Employee with the approval of the Board the Transfer Price shall be the 'C' Share Value attributable to the 'C' Shares held by the 'C' Shareholder.
- 29 5 Except on a Sale or Listing, the Transfer Price for 'D' Shares and Staff Shares is par value assuming in the case of 'D' Shares that the 'D' Shareholder is deemed to hold 4,000 Staff Shares for these purposes
- 29 6 The Transfer Price of all other classes of Divisional Shares shall be determined by the directors pursuant to Article 4.3.6.
- 29 7 The Transfer Price for the sale of any 'P' Shares shall be:
- 29.7.1 Where the Condition has not been satisfied on the date of the transfer, the par value of the 'P' Shares; and
 - 29.7 2 Where the Condition is satisfied on the date of the transfer:
 - a) And in circumstances where any 'P' Shareholder is to be treated as a Bad Leaver, determined by calculating the average of the preceding four years post tax profits of the Company multiplying such average by four, then deducting, the Total Divisional Share Value and the Staff Value, then dividing such resulting figure by the aggregate number of issued 'A' Shares, 'B' Shares and 'P' Shares and multiplying that result by the number of 'P' Shares being transferred, and then subtracting 30% of such total;
 - b) And in circumstances where the 'P' Shareholder is not to be treated as a Bad Leaver and the Employee has served notice of termination of his employment to the Company and subject always to the discretion of the Board, the amount by which the Enterprise Value exceeds £20,500,000 divided by the aggregate number of issued

'A' Shares, 'B' Shares and 'P' Shares multiplied by the number of 'P' Shares being transferred;

- c) And in circumstances where the 'P' Shareholder is not to be treated as a Bad Leaver and the Company has served notice of termination of his employment to the Employee with the prior written consent of the holders of all of the 'A' Shares, determined by the Remuneration Committee.

COMPULSORY TRANSFERS

30.

30 1 In this paragraph a "**Relevant Event**" means:-

30 1 1 in relation to a member being an individual:

- a) such member being adjudicated bankrupt; or
- b) such member is, or may be, suffering from mental disorder and either 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 England and Wales, Scotland 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,
- c) a member entering into any voluntary arrangement or composition with his creditors,
- d) such member (or the relevant individual in respect of any Employee Shareholder) being an 'A' Shareholder, a 'P' Shareholder, or any Divisional Shareholder, the 'D' Shareholder or Staff Shareholder ceasing to be connected with the Company (otherwise than by death) and for these purposes an individual shall be treated as being connected with the Company if but only if and so long as he is a director or employee of the Company or any subsidiary of the Company;
- e) such member holding any class of shares (apart from 'A' Shares) dying,

30.1 2 in relation to a member being a body corporate:-

- a) a receiver or administrative receiver being appointed of such member or over all or any part of its undertaking or assets, or
- b) such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or becoming subject to an administration order

30.2

- 30 2 1 Upon the happening of any Relevant Event in relation to any holder of shares, then the member in question shall at the Company's election transfer all of the shares as shall be registered in the name of such member to the Company at the Transfer Price, calculated in accordance with Article 29 and this Article 30.
- 30.2.2 If the Relevant Event shall be the bankruptcy of a member and if any of the shares which are offered pursuant to the deemed transfer notice shall not be sold to the members (the "**unsold shares**") then, after the expiration of the period during which the unsold shares might have been purchased by a member or members or person or persons nominated as aforesaid pursuant thereto the Representatives of the member in question shall be entitled to elect at any time before the shares are disposed of by them to be registered themselves as the holders of the unsold shares (but so that such election shall not give rise to any obligation to serve a transfer notice in respect of the unsold shares).
- 30.2.3 If the Relevant Event in relation to a member being an individual is under Article 30.1.1a), 30 1 1b) or 30.1.1c), then such member shall be treated as a 'Bad Leaver' for the purposes of calculation of the Transfer Price pursuant to Article 29.
- 30 2 4 If a Relevant Event in relation to a member being a body corporate occurs then such member shall be treated as a 'Bad Leaver' for the purposes of calculation of the Transfer Price pursuant to Article 29
- 30 3 An obligation to transfer a share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance
- 30 4A If a member defaults in transferring any shares to be transferred pursuant to Article 30 2 1 (the **Relevant Shares**), the defaulting member will be deemed to have irrevocably appointed any director to be his agent to execute, complete and deliver a transfer of the Relevant Shares in favour of the Company against allocation by the Company of the consideration due for the Relevant Shares. The Company's allocation of the consideration will be a good discharge to the Company, who will not be bound to see its application. The Company will hold the consideration on trust for the relevant member(s) without any obligation to pay interest. Subject to stamping, the directors will without delay register the transfer(s), after which the validity of such proceedings will not be questioned by any person. Each shareholder will surrender his share certificate(s) (or, where appropriate provide an indemnity in respect of (it) (them) in a form satisfactory to the directors) although it will be no impediment to registration of shares under this Article that no share certificate has been produced. On such surrender or provision, the defaulting member(s) will be entitled to the consideration for the Relevant Shares transferred on his or its behalf, without interest
- 30.4 The provisions of this Article may be waived in whole or in part in any particular case with the prior written consent of all the holders of 'A' Shares.
- 30.5 If under any of the provisions of this Article any members become jointly and severally liable to complete the purchase of any Transfer Shares in place of any nominated purchaser then as between such members each of them shall purchase such number thereof as shall bear to the total number of Transfer Shares in question the same proportion as the number of shares held by such member at the

date of the relevant nomination bore to the total number of shares then held by all such members

PROHIBITED TRANSFERS

- 30.6 Notwithstanding anything else contained in these Articles no share shall be issued or transferred to any bankrupt or person of unsound mind

DRAG ALONG

31

- 31.1 If the holders of at least 75% of the 'A' Shares (together the "**Selling Shareholders**") wish to transfer all their 'A' Shares (the "**Relevant Shares**"), the Selling Shareholders shall have the option (the "**Drag Option**") to require all the other holders of shares to transfer all their shares with full title guarantee to the third party purchaser (the "**Third Party Purchaser**") or as the Third Party Purchaser shall direct in accordance with this Article 31.

- 31.2 The Selling Shareholders may exercise the Drag Option by giving notice to that effect (a "**Drag Notice**") to all other Shareholders (the "**Dragged Shareholders**") at any time before the registration of the transfer of the Relevant Shares. A Drag Notice shall specify that the Dragged Shareholders are required to transfer all their Shares (the "**Dragged Shares**") pursuant to Article 31.1 to the Third Party Purchaser, the price at which the Dragged Shares are to be transferred (determined in accordance with Article 31.4, the proposed date of transfer and the identity of the Third Party Purchaser

- 31.3 A Drag Notice is irrevocable but the Drag Notice and all obligations thereunder will lapse if for any reason there is not a transfer of Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Drag Notice

- 31.4 The Dragged Shareholders shall be obliged to sell the Dragged Shares at the price specified in the Drag Notice which shall attribute the relevant Divisional Share Value to the Divisional Shares and fair value to all remaining classes of shares (including the Relevant Shares) and in the case of dispute as to the relevant Divisional Value, or fair value an Expert shall be appointed to determine the relevant Divisional Share Value, or fair value and the terms of Article 29.1 shall be construed as applying hereto.

- 31.5 Completion of the sale of the Dragged Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless:-

31.5.1 all of the Dragged Shareholders and the Selling Shareholders agree otherwise; or

31.5.2 that date is less than 7 days after the date of the Drag Notice, when it shall be deferred until the 7th day after the date of the Drag Notice

- 31.6 Each of the Dragged Shareholders shall on service of the Drag Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his attorney to execute any stock transfer and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Dragged Shares pursuant to this Article 31.

- 31.7 In this clause the following terms have the following meanings:-

"Majority Shareholder" means any single shareholder who is a company and holds over 50% of the issued share capital of the Company,

"Selling Shareholder" means the holders of at least 90% of the shares in the Majority Shareholder;

If the Selling Shareholders wish to transfer the entire issued share capital of the Majority Shareholder to a third party purchaser (the **"Third Party Purchaser"**), then they shall have the option to require all the holders of Divisional Shares, 'D' Shares and Staff Shares to transfer all their shares with full title guarantee to the Majority Shareholder or as the Majority Shareholder shall direct in accordance with this Article 31 (the **"Majority Shareholder Option"**).

- 31.8 The Majority Shareholder may exercise the Majority Shareholder Option by giving notice to that effect (a **"Drag Notice"**) to all holders of Divisional Shares, 'D' Shares and Staff Shares (the **"Dragged Shareholders"**). A Drag Notice shall specify that the Dragged Shareholders are required to transfer all their Shares (the **"Dragged Shares"**) pursuant to Article 31.7 to the Majority Shareholder (or as the Majority Shareholder shall direct), the price at which the Dragged Shares are to be transferred (determined in accordance with Article 31.10) and the proposed date of transfer.
- 31.9 A Drag Notice is irrevocable but the Drag Notice and all obligations thereunder will lapse if for any reason there is not a transfer of shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Drag Notice
- 31.10 The Dragged Shareholders shall be obliged to sell the Dragged Shares at the price specified in the Drag Notice which shall attribute the relevant Divisional Share Value to the Divisional Shares and fair value to all remaining classes of shares (including the Relevant Shares) and in the case of dispute as to the relevant Divisional Value, or fair value an Expert shall be appointed to determine the relevant Divisional Share Value, or fair value and the terms of Article 29.1 shall be construed as applying hereto.
- 31.11 Completion of the sale of the Dragged Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' shares unless -
- 31.11.1 all of the Dragged Shareholders and the Selling Shareholders agree otherwise, or
- 31.11.2 that date is less than 7 days after the date of the Drag Notice, when it shall be deferred until the 7th day after the date of the Drag Notice.
- 31.12 Each of the Dragged Shareholders shall on service of the Drag Notice be deemed to have irrevocably appointed the Majority Shareholder to be his attorney to execute any stock transfer and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Dragged Shares pursuant to this Article 31

TAG ALONG

32.

- 32.1 Subject to Article 31 but notwithstanding any other provision in these Articles no sale or transfer or other disposition of any interest in 75% of the 'A' Shares (the **"Specified Shares"**) shall have any effect unless before the transfer is lodged for

registration the Third Party Purchaser has made a *bona fide* offer in accordance with these Articles to purchase at a price equal to the total Divisional Share Value all of the issued Divisional Shares and at a fair value, all the remaining shares held by shareholders who are not acting in concert or otherwise connected with the Third Party Purchaser (the "**Uncommitted Shares**"). In the case of dispute as to the Total Divisional Share Value, or a fair value an Expert shall be appointed to determine fair value and the terms of Article 29 shall be construed as applying hereto.

- 32.2 An offer made under Article 32.1 shall be in writing, open for acceptance for at least 21 days, and shall be deemed to be rejected by any member who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 30 days of the date of the offer

TRANSMISSION OF SHARES

33.

- 33 1 1 In the case of the death of a member holding 'A' Shares, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
- 33 1 2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof
- 33 1 3 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.

Save as otherwise provided by or in accordance with the Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall not be entitled to appoint a Nominated Director in any event and shall (upon supplying to the Company such evidence as the directors may reasonably require as to his title to the share) be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of any 'A' Shares to appoint a Nominated Director at any time thereafter. Further he shall not be entitled to receive notices of or to attend or vote at general meetings of the Company or at any separate meeting of the holders of any class of shares in the Company nor, save as aforesaid, to any of the rights or privileges of a member, until he shall have become a member in respect of the share provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share in accordance with the provisions of the Articles, and if within sixty days the notice is not complied with such person shall (but only in the case of a share which is fully paid up) be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly

INCREASE OF CAPITAL

34. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe
- 35 All new shares shall (unless the Company shall in general meeting otherwise determine) be subject to the provisions of these Articles with reference to payment of calls, forfeiture, surrender, lien, transfer, transmission and otherwise.

ALTERATION OF CAPITAL

- 36 The Company may by ordinary resolution and subject to any Relevant Agreement
- 36 1 Save for so long as any of the loan facilities from any Eligible Director is available to the Company during which time the prior written consent of such Eligible Directors who still have loan facilities outstanding shall be necessary, consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; whenever as a result of any consolidation of shares any member would become entitled to a fraction of a share, the directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable to any person including, subject to the provisions of the Act, the Company and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of shares, and for the purpose of any such sale the directors may authorise some person to transfer the shares representing the fractions to the purchaser thereof whose name shall thereupon be entered in the register of members as the holder of the shares, and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale,
- 36 2 cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of share capital by the amount of the shares so cancelled;
- 36 3 subdivide its shares, or any of them, into shares of smaller amount than is fixed by the Articles (subject nevertheless to the provisions of the Act), and so that the resolution whereby any share is subdivided may determine that, as regards each share so subdivided, one or more of the shares resulting from such subdivision may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others, as the Company has power to attach to new shares
- 36 4 The Company may by special resolution reduce its share capital and any capital redemption reserve and any share premium account in any manner subject to the provisions of the Act

GENERAL MEETINGS

- 37 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Subject as aforesaid and to the provisions of the Act, the annual general meeting shall be held at such time and place as the directors may determine
- 38 The directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene a general meeting in accordance with the provisions of the Act and general meetings may be called on short notice with the written consent of the majority in number of the members entitled to vote at such meeting holding at least 95% of the issued 'A' Shares in the capital of the Company.

NOTICE OF GENERAL MEETINGS

- 39 Subject to the provisions of the Act and to Article 38, an annual general meeting shall be called by twenty-one days' notice at the least, and all other general

meetings shall be called by fourteen days' notice at the least. Every notice shall be in writing and shall specify the place, the day and the time of meeting, and in the case of special business the general nature of such business, and in the case of an annual general meeting shall specify the meeting as such. Notices shall be given in manner hereinafter mentioned to all the members, other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the directors (including the alternate directors) and to the auditors for the time being and (where required by the Act) former auditors of the Company.

40. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.
41. It shall be the duty of the Company, subject to the provisions of the Act, on the requisition in writing of such number of members as is specified in the Act and (unless the Company otherwise resolves) at the expense of the requisitionists, (a) to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting and (b) to circulate to members entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
42. The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

43. All business shall be deemed special that is transacted at an annual general meeting, with the exception of the declaration of dividends, the consideration of accounts and of the reports of the directors and of the auditors and other documents annexed to accounts, the appointment or reappointment of directors in the place of those retiring, the reappointment of the auditors (save where special notice thereof is required by the Act) and the fixing of the remuneration of the auditors or of the manner in which such remuneration is to be fixed and the giving, varying, revoking or renewing of any authority or power for the purposes of Section 551 of the Act.
44. Where, by any provision contained in the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Act.
45. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided, the holders of at least 75% of 'A' Shares present in person or by proxy and entitled to vote at the meeting shall be a quorum for all purposes.
46. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it 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 time and place,

as the directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

47. The chairman (if any) of the board of directors, or in his absence the deputy chairman (to be chosen, if there be more than one, by agreement amongst them or, failing agreement, by lot) or in the absence of any deputy chairman the vice-chairman (to be chosen, if there be more than one, as aforesaid) shall preside as chairman at every general meeting of the Company, but if at any meeting neither such chairman nor such deputy chairman nor such vice-chairman be present within five minutes after the time appointed for holding the meeting, or if none of them be willing to act as chairman, the directors present shall choose some director present to be chairman, or if no director be present, or if all the directors present decline to take the chair, the members present shall choose some member present to be chairman.
48. The chairman of any meeting at which a quorum is present may, with the consent of such meeting (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, seven days' notice at least, specifying the place, the day and the time of the adjourned meeting shall be given as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment.
49. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on any substantive resolution shall not be invalidated by any error in such ruling.
50. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before, or upon the declaration of the result of the show of hands a poll is demanded
- a) by the chairman of the meeting, or
 - b) by not less than three members having the right to vote at the meeting; or
 - c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - d) by a member or members holding 'A' Shares in the Company, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the 'A' shares. Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution
51. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll, and for the purposes of the

last preceding Article a demand by a person as proxy for a member shall be the same as a demand by the member.

52. If any votes shall be counted which ought not to have been counted, or might have been rejected, or if any votes shall not be counted which ought to have been counted, or might have been allowed, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the result of the voting.
53. If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of ballot or voting papers or forms), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may, in the event of a poll, appoint scrutineers (who need not be members) and may fix some place and time for the purpose of declaring the result of the poll.
54. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting shall direct not being more than thirty days from the date of the meeting or the adjourned meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' notice shall be given specifying the time and place at which the poll is to be taken.
55. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
56. A 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. 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.

VOTES OF MEMBERS

57. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every holder of 'A' Shares who is present in person or by proxy, unless the proxy is himself a member entitled to vote, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder, Provided that no 'A' Shares shall confer any right to vote upon a resolution for the removal from office of a Nominated Director appointed by another holder of 'A' Shares unless such holder of 'A' Shares votes in favour of such a resolution.
58. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share.
59. A member suffering from mental disorder in respect of whom an order has been made or a direction or authority given by a court of competent jurisdiction may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by such court and such receiver,

curator bonis or other person may on a poll vote by proxy, provided that such evidence as the directors may require of the authority of the person claiming to vote shall have been deposited at the place at which proxies for the meeting in question are to be deposited under Article 65 below not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote and in default the right to vote shall not be exercisable

60. No member shall, unless the directors otherwise determine, 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 personally or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid
61. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
62. On a poll votes may be given either personally or by proxy. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
63. Any person (whether a member or not) may be appointed to act as a proxy. A member may appoint more than one proxy to attend on the same occasion.
64. The instrument appointing a proxy shall be in writing in the usual common form, or such other form as may be approved by the directors, and shall be signed by the appointor or by his attorney duly authorised in writing, or if the appointor is a corporation shall be either under its common seal or under the hand of a duly authorised officer or attorney of the corporation. The directors may, but shall not be bound to, require evidence of authority of such officer or attorney. An instrument of proxy need not be witnessed.
65. The instrument appointing a proxy together with (unless the directors waive such requirement) the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office, or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy to vote at any meeting and deposited as aforesaid shall be valid to empower the proxy so appointed to vote on any poll taken or demanded at such meeting or at any adjournment of such meeting. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
66. A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate member or poll demanded by proxy or by the duly authorised representative of a corporate member shall be valid notwithstanding (in the case of a proxy) the previous death or mental disorder of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed or (in the case of a duly authorised representative of a corporate member) the revocation of his appointment, provided

that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office or (in the case of an instrument of proxy) such other place at which it was required to be deposited under Article 65 above three hours at least before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll

67. The directors may at the expense of the Company send, by post or otherwise, to the members instruments of proxy (with or without provision for their return prepaid) for use at any general meeting or at any meeting of any class of members of the Company either in blank or nominating in the alternative any one or more of the directors or the chairman of the meeting or any other person or persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy

APPOINTMENT AND RETIREMENT OF DIRECTORS

68.

- 68.1 Each holder of 'A' Shares from time to time shall be entitled by notice in writing to the Company to appoint one Nominated Director and any holder of over 50% of the 'A' Shares from time to time shall be entitled by notice in writing to the Company to appoint three Nominated Directors of which two shall be Nan Williams and Ray Eglinton and the final one shall be Christopher O'Donoghue (or such alternative person as he decides) and by like notice to remove such director(s) and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed and for so long as each of the holders of 'A' Shares at the close of business on the date of adoption of the Articles remains a holder of 'A' Shares, he shall also be such a Nominated Director.
- 68.2 The holders of the 'B' Shares, the Divisional Shares and the Staff Shares shall not be entitled to appoint a director to the board
- 68.3 A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgement at the office or on delivery to a meeting of the directors or on delivery to the secretary.
- 68.4 Immediately after a holder of 'A' Shares ceases to hold 'A' Shares the Nominated Director most recently appointed by him shall be removed from office by him forthwith
- 68.5 Every director appointed pursuant to this Article shall hold office until he is either removed in manner provided by this Article or dies or vacates office. Each holder of 'A' Shares shall on a resolution to remove a Nominated Director vote against such removal unless the holder of 'A' Shares who appointed him has previously failed to remove that Nominated Director as required by Article 68.4.
- 68.6 Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine
- 69 No director shall be appointed otherwise than as provided in these Articles

DIRECTORS

- 70 Subject as hereinafter provided, the directors shall be not less than two but no more than eight in number but the Company may by ordinary resolution from time to time vary the minimum number and may also fix and from time to time vary a maximum number of directors

REMUNERATION COMMITTEE

71. The aggregate ordinary remuneration of the directors shall not exceed the remuneration set by the Remuneration Committee or such higher sum as may from time to time be determined by an ordinary resolution of the Company. The Company by ordinary resolution may also vote extra remuneration to the directors, which shall, in default of agreement to the contrary, be divided between the directors equally. The directors' remuneration shall be deemed to accrue from day to day. The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the directors or of committees of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties within the UK.
- 72 Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, lump sum, percentage of profits or otherwise as the directors may determine

ALTERNATE DIRECTORS

- 73 Each director (other than an alternate director) may at any time appoint another director or (subject to the approval of a majority of the directors for the time being) any other person to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to any requisite approval as aforesaid, appoint another person in his place. An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the directors and of all meetings of committees of the directors of which his appointor is a member and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in the absence of such appointor. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director, provided that if any director retires, whether by rotation or otherwise, but is reappointed or is deemed to have been reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his reappointment as if he had not so retired. All appointments and removals of alternate directors shall be effected by instrument in writing signed by the appointor director and authenticated in such manner as the other directors may accept. The appointor director shall deposit the original signed instrument at the Office as soon as reasonably practicable, but failure or delay in doing so shall not prejudice the validity of the appointment.
- 74 Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a director of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the

agent of or for the director appointing him. An alternate director shall not be entitled to receive any remuneration from the Company for his services as an alternate director but his remuneration shall be payable out of the remuneration payable to the director appointing him, and shall consist of such part (if any) of the latter's remuneration as shall be agreed between them.

DIRECTORS' INTERESTS

75. A director, including an alternate director, may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director on such terms as to tenure of office, remuneration and otherwise as the directors may determine. Any director may act by himself or his firm in a professional capacity (other than that of auditor) for the Company and he or his firm shall be entitled to remuneration for such professional services.
76. No director or intending director, including an alternate director, shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way, whether directly or indirectly, interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement, by reason of such director holding that office or of the fiduciary relationship thereby established.
77. Any director, including an alternate director, may continue to be or become a director or other officer or member of or otherwise interested in any other company promoted by the Company or any subsidiary thereof or in which the Company or any subsidiary thereof may be interested, as a member or otherwise, or in which the Company or any subsidiary thereof has decided not to take any shareholding or other interest whatsoever, and no such director shall be accountable for any remuneration or other benefits whatsoever received by him as a director or other officer or member of or from his interest in any such other company.
78. A director who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or a proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the directors in accordance with Section 177 or 182 of the Act (as the case may be).
79. The directors may (subject to any terms and conditions as they may think fit, and subject always to their right at any time to vary or terminate such authorisation) authorise, pursuant to section 175 of the Act, any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties). If a matter has been authorised by the Directors in accordance with this Article, then, subject in any such case to any limits or conditions attached to such authorisation by the directors:
- (a) the authorisation shall extend to any other actual or potential conflict of interest or duty which may reasonably be expected to arise out of the matter so authorised,
 - (b) the director may either attend or absent himself from

(i) meetings of the directors, or of any committee of the Directors, at which anything relating to that matter will or may be discussed, or

(ii) any discussion on such matter, at a meeting or otherwise,

and the directors may exclude him from any such meeting or discussion,

(c) the director or the directors may make arrangements for the Company either to send and make available to him, or not to send or make available to him, any documents and information relating to that matter,

(d) the director shall be entitled to accept any benefit which he may derive from that matter, and he shall not be accountable to the Company for any benefit which he or a person connected with him may derive from any such matter, and

(e) no transaction or arrangement in relation to such matter shall be liable to be avoided on the ground of the Director's interest, duty or benefit,

and the director shall not be in breach of any of his general duties to the Company as a director in relation to such matter, so long as he does not infringe these Articles and any terms and conditions of the authorisation in relation to such matter. This Article is without prejudice to the operation of any other provision or procedure authorising the Director's conflict of interest.

80 Save as herein provided, a director (including an alternate director) shall not vote in respect of any contract or arrangement or any other proposal in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities or rights of or otherwise in or through the Company. However a director shall be entitled to vote in respect of any contract or arrangement or any other proposal in which he has any interest which is not material or in respect of which a conflict matter is authorised in accordance with Article 79 or otherwise, provided that the director's right to vote has not been removed by the terms and conditions of the authorisation. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

81. A director (including an alternate director) shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely

(i) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries,

(ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part by the giving of security or under a guarantee or indemnity,

(iii) any proposal concerning an offer for subscription or purchase of shares or debentures or other securities or rights of or by the Company or any of its subsidiaries or of any other company which the Company may promote or in which it may be interested in which offer he is or is to be

interested as a participant in the underwriting or subunderwriting thereof;

- (iv) any proposal concerning any other company in which he is interested directly or indirectly and whether in any one or more of the capacities of officer, creditor, employee or holder of shares, debentures, securities or rights of that other company, but where he is not the holder (otherwise than as a nominee for the Company or any of its subsidiaries) of or beneficially interested in one per cent or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances),
 - (v) any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits scheme, share option scheme or share incentive scheme under which he may benefit, or
 - (vi) any proposal concerning the purchase and/or maintenance of any insurance policy under which he may benefit.
82. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment
83. If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall (subject to the Act) be referred to the chairman of the meeting (or, where such question shall arise concerning such chairman, to such other director present at the meeting as the directors present, other than the chairman, shall by majority vote appoint) and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed
84. For the purposes of Articles 75 to 83, the interest of any person who is connected with a director (within the meaning of Section 252 of the Act) shall be taken to be the interest of that director.
85. The Company may by ordinary resolution suspend or relax the provisions of Articles 75 to 83 to any extent either generally or in respect of any particular matter, or ratify any transaction not duly authorised by reason of a contravention of those Articles
86. The directors may establish, maintain, participate in or contribute to or procure the establishment and maintenance of, participation in or contribution to any pension, annuities, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a subsidiary of the Company or is allied to or associated with the Company, or with any such subsidiary, or who may be or have been directors or

officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or firms calculated to be for the benefit of or to advance the interests and wellbeing of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid, and (subject to the provisions of the Act) establish and contribute to any scheme for the acquisition of shares in the Company or its holding company (whether or not an employees' share scheme within the meaning of the Act) and (subject as aforesaid) lend money to the Company's employees to enable them to acquire such shares, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with others. Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by the Company by ordinary resolution, any director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument.

PROVISION FOR EMPLOYEES ON CESSATION OR TRANSFER OF BUSINESS

87. The Company shall exercise the power conferred upon it by Section 247 of the Act only with the prior sanction of a special resolution. However the directors are entitled to exercise the power contained in Section 247 of the Act by means of a board resolution but this shall be limited to a maximum payment to any individual employee of 50 per cent of the employees' gross annual salary

BORROWING POWERS

- 88 Subject as hereinafter provided and as provided in any Relevant Agreement the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party
- 89 The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (as regards subsidiary companies so far as by such exercise they can secure) that the aggregate of the amounts borrowed by the Company and all (if any) of its subsidiaries (in this Article called "the Group") and remaining outstanding at any time (excluding intra Group borrowings) shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the greater of either:
- a) four times the aggregate of:
 - (i) the nominal amount of the share capital of the Company issued and paid up, as shown in the audited balance sheet of the Company last laid before the Company in general meeting; and
 - (ii) the amounts shown as standing to the credit of capital and revenue reserves, including share premium account, capital redemption reserve and profit and loss account (but deducting therefrom the amount, if any, standing to the debit of profit and loss account) in either a consolidation of the audited balance sheets of all the companies in the Group last laid before the members thereof respectively in general meeting or (at the

directors' discretion) in the audited consolidated balance sheet of the Group last laid before the Company in general meeting; but

- (iii) adjusted in respect of any variations in the issued and paid up share capital, share premium account or capital redemption reserve effected or any distributions made (otherwise than within the Group) since the date of such balance sheets except in so far as provided for therein; and
- (iv) excluding therefrom any amounts set aside for taxation and, to the extent included, any amounts attributable to outside shareholdings in subsidiaries; and
- (v) excluding all amounts attributable to intangible items save goodwill arising on consolidation, notwithstanding the fact that these may previously have been written off against reserves; or

b) the sum of £1,500,000;

Provided always that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within six months in the repayment (with or without premium) of any moneys previously borrowed and then outstanding, notwithstanding that the same may result in the said limit being exceeded during such period For the purpose of this Article:

- (i) share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up and if the Company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following twelve months shall be deemed to have been paid up,
- (ii) any company which it is proposed shall become a subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become a subsidiary;
- (iii) the following shall (unless otherwise taken into account) be deemed to be included in moneys borrowed (a) debentures issued in whole or in part for a consideration other than cash, (b) amounts outstanding under acceptance credits (other than in respect of the purchase of goods in the ordinary course of trading), (c) the nominal amount of any share capital issued and the principal amount of any moneys borrowed the redemption or repayment, whereof is guaranteed by the Company or by any subsidiary except in so far as such share capital is for the time being held by or such moneys are for the time being owing to, and the beneficial interest therein is vested in, the Company or any subsidiary; and
- (iv) any fixed premium payable on final redemption or repayment of any debentures or other borrowed moneys or share capital shall be taken into account as an addition to the principal or nominal amount thereof

90. No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the

time when the debt was incurred or the security given express notice that the said limit had been or would thereby be exceeded

GENERAL POWERS OF DIRECTORS

- 91 The business of the Company shall be managed by the directors, who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Act, to the provisions of any Relevant Agreement, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company by special resolution and in accordance with any Relevant Agreement, but no regulation made by the Company by special resolution shall invalidate any prior act of the directors which would have been valid if such regulation had not been made. The general powers given to the directors by this Article shall not be limited or restricted by any special authority or power given to the directors by any other Article
- 92 The directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the directors (other than the power of making calls), with power to subdelegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding filling vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the directors may think fit, and the directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby
- 93 The directors may from time to time, and at any time, by power of attorney under the Seal or executed by any two directors or by any director in the presence of a witness, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the directors, to be the attorney of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles), for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit, and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.
- 94 The Company, or the directors on behalf of the Company, may cause to be kept in any part of Her Majesty's Dominions outside the United Kingdom, the Channel Islands or the Isle of Man (and, if the Act shall so permit, in any other country, territory or area) in which the Company transacts business a branch register or registers of members resident therein, and the directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register
95. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power

so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be.

- 96 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.

RETIREMENT OF DIRECTORS

- 97 The office of a director shall be vacated in any of the following events, namely
- (i) if (but in the case of a director holding any executive office subject to the terms of any contract between him and the Company) he resigns his office by instrument in writing signed by the resigning director and authenticated in such manner as the other directors or director may accept (provided that the resigning director shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his doing so shall not prejudice the validity of the resignation);
 - (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (iii) if, in the opinion of the majority of directors other than the director vacating office and in the written opinion of a suitably qualified medical expert, he becomes of unsound mind;
 - (iv) if he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director,
 - (v) if he ceases to be a holder of 'A' Shares

ROTATION OF DIRECTORS

- 98 The directors shall not be subject to retirement by rotation.

PROCEEDINGS OF DIRECTORS

99. Subject to the provisions of these Articles, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of the director he is representing in addition to his own vote. A director may, and the Secretary on the requisition of a director shall, at any time summon a meeting of the directors. Notices in respect of such meetings may be sent by facsimile. It shall be necessary to give notice of a meeting of directors to any director for the time being absent from the United Kingdom. Meetings may be held with one or more directors present on the telephone and such directors present on the telephone shall be counted in the quorum.
100. A director who is unable to attend any meeting of the directors and has not appointed an alternate director may authorise any other director to vote for him at the meeting, and in that event the director so authorised shall have a vote for each

director by whom he is so authorised in addition to his own vote. Any such authority must be by instrument signed by the authorising director and authenticated in such manner as the other directors may accept. The authorising director shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his doing so shall not prejudice the validity of the authorisation. If any dispute arises in relation to the interpretation of this clause, the matter shall be referred to the Chairman whose decision shall be final and binding on the members.

101. The quorum necessary for the transaction of the business of the directors shall be **three**. For the purposes of this Article a person who holds office only as an alternate director shall, if his appointor is not present, be counted in a quorum, but so that not less than two individuals shall constitute the quorum. Any director or alternate director who attends a meeting of directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all purposes of these Articles and shall be counted in the quorum accordingly. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors. For the purposes of any meeting (or part of a meeting) held pursuant to Article 79 to authorise a director's conflict, if the number of directors in office other than the conflicted director(s) is less than three, the quorum for such meeting (or part of a meeting) shall be all the director(s) other than the conflicted director(s).
102. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their body, but if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles, or below the number fixed by or pursuant to these Articles as the quorum of directors, the continuing directors or director may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Company, but not for any other purpose. If there be no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.
103. The chairman, shall preside at all meetings of the directors, but if at any meeting the chairman is not willing to preside the directors present may choose one of their number to be chairman of the meeting.
104. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of directors or of a committee of directors, shall be as effective as a resolution passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the directors and so that any such resolution or document signed by an alternate director shall be deemed to have been signed by the director who appointed such alternate director and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
105. The directors may delegate any of their powers to committees consisting of at least three members of their body as they think fit, provided that at least two members of any such committee shall be directors of the Company. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. The meetings and proceedings of any such committee consisting of two or more directors shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors, so far as the same are applicable and are not superseded by any regulations imposed by the directors under this Article.

- 106 All acts done by any meeting of directors, or of a committee of directors, or by any person acting as a director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such director, or person acting as aforesaid, or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a director and had been entitled to vote.

EXECUTIVE AND OTHER DIRECTORS

- 107 Subject to the provisions of the Act, the directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of director (whether as executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the directors may determine and may define, limit vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties and, subject to any contract between him and the Company, may remove from such post any person so appointed. A person so appointed shall not be a director of the Company for any of the purposes of these Articles or of the Act and accordingly shall not be a member of the board of directors or of any committee thereof, nor shall he be entitled to be present at any meeting of the board of directors or of any such committee, except at the request of the board of directors or of such committee, and if present at such request he shall not be entitled to vote thereat

MINUTES AND BOOKS

- 108 The directors shall cause minutes to be made
- a) of all appointments of officers made by the directors,
 - b) of the names of the directors present at each meeting of directors and of any committee of directors,
 - c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the directors and of committees of directors.

Any such minutes if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next following meeting, shall be evidence of the proceedings.

109. Subject as required by law any register, index, minute book or accounting records required by these Articles or by law to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the directors shall take adequate precautions for guarding against, and for facilitating the discovery of, falsification

SECRETARY

- 110 Subject to the Act the secretary of the Company shall be appointed by the directors on such terms and for such period as they may think fit and the directors may also appoint one or more assistant or deputy secretaries Any secretary or assistant or deputy secretary so appointed may at any time be removed from office by the directors without prejudice to any claim for damages for breach of any contract of service between him and the Company.

111. Anything by the Act required or authorised to be done by or to the secretary of the Company may, if the office is vacant or such secretary is absent or there is for any other reason no such secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary, or if such assistant or deputy secretary is absent or for any other reason not capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the directors provided that any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary

THE SEAL

112. The directors shall provide for the safe custody of the Seal and the Securities Seal and neither shall be used except by the authority of a resolution of the directors or of a committee of the directors authorised in that behalf by the directors. The directors may from time to time make such regulations as they see fit (subject to the provisions of these Articles in relation to share certificates and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the Seal or the Securities Seal is affixed, and until otherwise so determined (and subject as aforesaid) every such instrument shall be signed by one director and shall be countersigned by the Secretary or by a second director.
113. The Company may have an official seal for use abroad under the provisions of the Act where and as the directors shall determine, and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid

AUTHENTICATION OF DOCUMENTS

114. Any director or the Secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the directors or any committee of the directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or a copy of or an extract from the minutes of a meeting of the Company or of the directors or any committee of the directors, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS

- 115 The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. Subject to any Relevant Agreement and to Article 4.3.1a), the Company in general meeting may declare dividends accordingly.
- 116 No dividends shall be payable otherwise than in accordance with the Act and out of the profits of the Company available for that purpose and no dividend shall exceed the amount recommended by the directors.
- 117 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid-up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.
- 118 Subject to Article 4.3.1, the directors may if they think fit from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company and are permitted by the Act. If at any time the share capital of the Company is divided into different classes, the directors may (subject to the provisions of the Act) pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay half yearly, or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of opinion that the profits justify the payment and if and to the extent that such payment is permitted by the Act. Provided the directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non preferred rights.
- 119 Subject to the provisions of the Act or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, the profits and losses thereof as from such date may at the discretion of the directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.
120. The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company. The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividends payable on those

shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way

121. The directors may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
122. All unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No dividend or other moneys payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of twelve years from the date of declaration thereof shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.
123. Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto and in the case of joint holders to the first named of such joint holders, or to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
124. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
125. A general meeting declaring a dividend may, upon the recommendation of the directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or other securities or rights of any other company, and the directors shall give effect to such resolution and where any difficulty arises in regard to the distribution the directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.

RESERVES

126. The directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company, (including any premiums received upon the issue of debentures or other securities or rights of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in

such investments (including, but subject to the provisions of the Act, the shares of the Company or its holding company, if any) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to divide.

CAPITALISATION

127

- a) The Company in general meeting may upon the recommendations of the directors resolve that it is desirable to capitalise any undivided profits of the Company standing to the credit of the profit and loss account or otherwise and available for distribution (not being required for the payment of fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits) and accordingly that the directors be authorised and directed to appropriate the profits resolved to be capitalised to the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution
- b) The Company in general meeting may, subject to the provisions of the Act and upon the recommendation of the directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any reserve account of the Company (including its share premium account and capital redemption reserve) or its profit and loss account and whether or not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions), and the directors shall give effect to such resolution.

- 128 Whenever such a resolution as aforesaid shall have been passed, the directors shall make all appropriations and applications of the profits or sum resolved to be capitalised thereby, and (subject to the provisions of the Act) all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, or to make provision whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned, and also to authorise any person to enter on behalf of all the members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, and any agreement made under such authority shall be effective and binding on all such members

ACCOUNTS

129. The directors shall cause accounting records to be kept and preserved in accordance with the Act. The accounting records shall be kept at the Office, or

(subject to the provisions of the Act) at such other place as the directors think fit, and shall always be open to inspection by the officers of the Company and the holders of the 'A' Shares. No member (other than an officer of the Company) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting

- 130 The directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Act
- 131 The auditors' report shall be read before the Company in general meeting and shall be open to inspection as required by the Act.
132. A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting and of the Directors' and Auditors' reports shall not less than twenty-one days before the date of the meeting be sent to every member and to every holder of debentures of the Company. Provided that:
- a) this Article shall not require copies of such documents to be sent to any person to whom, by virtue of the provisions of the Act, the Company is not required to send the same, nor to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures, and
 - b) instead of these documents there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required, by law to be sent to the members of, and holders of debentures of, the Company

AUDITORS

133. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Act Subject to the provisions of the Act, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.
134. In respect of each financial year of the Company the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by an auditor or auditors
- 135
- a) The auditor or auditors shall be entitled to attend any general meeting and to receive notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns him or them as auditor or auditors
 - b) The Company shall comply with the provisions of the Act relating to the sending of copies of special notices of certain resolutions concerning changes of auditors and to the giving notice of, and circulating to

members, representations made by auditors retiring or proposed to be removed

NOTICES

136. Any notice or document may be given by the Company to or served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his address as appearing in the register of members or by transmitting it by facsimile to the facsimile number of the member last known to the Company. In the case of joint holders of a share, all notices shall be given to that one of the joint holders 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 joint holders
137. Any member described in the register of members by an address not within the United Kingdom who shall from time to time give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no member other than a member described in the register of members by an address within the United Kingdom shall be entitled to receive any notice from the Company
138. Any member present, either in person or by proxy, at any meeting of the Company shall for the purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
139. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by any notice in respect of such share which previously to his name and address being entered on the register of members shall have been duly given to a person from whom he derives his title to such shares
140. Any notice required to be given by the Company to the members or any of them, and not provided for by or pursuant to these Articles, shall be sufficiently given if given by advertisement which shall be inserted once in at least one leading daily newspaper published in London
141. Save as otherwise provided by the Act or by these Articles, any notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given. Any notice or other document, if served by post, shall be deemed to have been served at the time when the letter, envelope, card or cover containing the same is posted and any notice or document served by facsimile shall be deemed served at the time when the facsimile is transmitted, and in proving such service it shall be sufficient to prove that the letter, envelope, card or cover containing the notice or document was properly addressed, postage prepaid, and duly posted or that the facsimile was correctly transmitted. A notice to be given by advertisement shall be deemed to have been served on the day on which the advertisement appears.
142. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company shall have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall, at the time of the service of the notice or document, have been removed from the register of members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or

document on all persons interested (whether jointly with or as claiming through or under him) in the share.

143 If the Company destroys

- a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- b) any instruction concerning the payment of dividends or other monies in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the Company, or
- c) any instrument of transfer of shares which has been registered at any time after a period of 6 years has elapsed from the date of registration, or
- d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it and the Company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrevocably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the Company were correctly recorded. Nothing contained in this Article shall be construed as imposing upon the Company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this Article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this Regulation to the destruction of any document include references to its disposal in any manner.

WINDING UP

144. If the Company shall be wound up (whether the liquidation is altogether voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

145. To the extent not avoided by the provisions of the Act, every director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may

sustain or incur in or about the execution of his office or otherwise in relation thereto and, in particular but without prejudice to the generality of the foregoing, shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in relation to the affairs of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court from liability in relation to the affairs of the Company. The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

RELEVANT AGREEMENT

146. In case of a conflict between these Articles and any Relevant Agreement, such Relevant Agreement shall prevail.