

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

This is a true and correct copy of the up-to-date  
Memorandum and Articles of Association of  
THE BLACK SHEEP BREWERY PLC

Signed ..... Director

Dated

24 / 5 /

1993

MEMORANDUM

and

ARTICLES OF ASSOCIATION

- of -

THE BLACK SHEEP BREWERY PLC

Company No 2686985

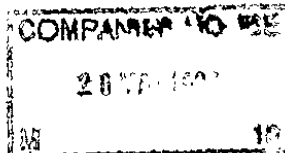
Incorporated the 7th day of February 1992

Eversheds Hepworth & Chadwick  
Cloth Hall Court  
Infirmary Street

LEEDS

LS1 2JB

JB





**CERTIFICATE OF INCORPORATION  
OF A PUBLIC LIMITED COMPANY**

Company No. 2686985

The Registrar of Companies for England and Wales hereby certifies that

**THE BLACK SHEEP BREWERY PLC**

is this day incorporated under the Companies Act 1985 as a public company and that the company is limited.

Given at Leeds, the 7th February 1992

*Helen M Pearson*  
MRS HELEN PEARSON

For The Registrar Of Companies



C O M P A N I E S H O U S E



CERTIFICATE THAT A PUBLIC COMPANY  
IS ENTITLED TO DO BUSINESS AND BORROW

No 2686985

I hereby certify that the provisions of section 117(1)  
of the Companies Act 1985 have been complied with in  
relation to

THE BLACK SHEEP BREWERY PLC

and that the company is entitled to do business and  
borrow.

Given under my hand at Cardiff the 14TH FEBRUARY 1992

*H A Selkman*

H A SELKMAN

An Authorised Officer

58.358.RES [MINUTES]  
14 April 1993

Company No. 2686985

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION

of

THE BLACK SHEEP BREWERY PLC

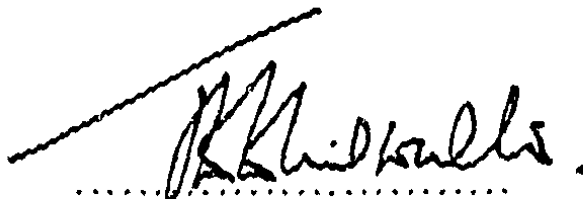
Passed the 24th day of March 1993

At an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held at The Black Sheep Brewery on the 24th day of March 1993 the following resolution was duly passed as to a Special Resolution of the Company:-

SPECIAL RESOLUTION

- (a) That the authorised share capital of the Company be increased from £1,000,000 to £1,750,000 by the creation of 750,000 new Ordinary shares of £1 each in the share capital of the Company.
- (b) That the powers conferred on the directors pursuant to a special resolution of the Company passed on 26th February 1992 are treated as lapsed and that:-
- (i) for the purposes of section 80 of the Companies Act 1985 the directors are generally and unconditionally authorised to allot relevant securities (as defined by that section) up to a maximum of £942,000 such authority to expire on 23th March 1998; and
- (ii) the directors being generally authorised by sub-paragraph b(i) above for the purposes of section 80 of the Companies Act 1985 are unconditionally empowered pursuant to section 95 of the Companies Act 1985 to allot or agree to allot for money or money's worth 942,000 Ordinary shares of £1 each in the capital

of the Company as if the provisions of sections 89 and 90 of the Companies Act 1985 did not apply to such allotment or agreement to allot, such authority to expire on 23rd March 1998.

A handwritten signature in cursive script, appearing to read "R. K. Richards", is written over a horizontal dotted line. A diagonal line is drawn above the signature, starting from the left and extending towards the right.

Chairman

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

- of -

THE BLACK SHEEP BREWERY PLC

1. The company's name is "THE BLACK SHEEP BREWERY PLC".
2. The company is to be a public company.
3. The company's registered office is to be situated in England and Wales.
4. The objects for which the company is established are :-
  - (a) (i) To carry on all or any of the businesses of brewers, distillers, manufacturers, producers, retailers, wholesalers, importers and exporters of, agents for and merchants and dealers in beers, minerals, wines, spirits, aerated waters and beverages, ciders and such other drinks either of an alcoholic or non-alcoholic nature of any and every description, and of casks, bottles, cans, cartons and other receptacles for the same, and to deal in malt, hops, grain, meal, yeast and all other substances and things capable of being used in connection with any such business.
  - (ii) To carry on the businesses of licenced victuallers, to own, operate and manage hotels, villas, inns, motels, public houses, guest houses, licenced and unlicenced clubs, time sharing properties and all forms of accommodation and to act as restaurateurs, and to run, operate and manage restaurants, cafes, snack bars, coffee bars, tea rooms, bars and public houses and to provide food and drink of all kinds including beer, wine and spirits and to conduct such establishments either on a bar, self service, waiter or waitress system and also to undertake private catering for parties and gatherings either on or away from premises. To carry on business as bakers, confectioners, pastry cooks, sweet and ice cream manufacturers and sellers, tobacconists, butchers, fishmongers, fruiterers, greengrocers, grocers, dairymen, provision merchants, purveyors and caterers for the public generally, general storekeepers and entertainment contractors.
  - (iii) To carry on all or any of the businesses of general merchants and traders, manufacturers, assemblers,

distributors, importers, exporters, merchants, factors and shippers of and wholesale and retail dealers in goods, wares, produce, products, commodities, fancy goods, handicrafts, and merchandise of every description, to act as agents for and to enter into agreements and arrangements of all kinds on behalf of such persons, firms or companies as may be thought expedient, and to negotiate, assign and mortgage or pledge for cash or otherwise, any such agreements and the payments due thereunder and any property the subject thereof, to carry on all or any of the businesses of mail order specialists, credit and discount traders, cash and carry traders, manufacturers' agents, commission and general agents, brokers, factors, warehousemen, and agents in respect of raw and manufactured goods of all kinds, and general railway, shipping and forwarding agents and transport contractors; to create, establish, build up, and maintain an organisation for the marketing, selling, retailing, servicing, advertisement, distribution or introduction of the products, merchandise, goods, wares, and commodities dealt in or services rendered by any persons, firms or companies, and to participate in, undertake, perform, and carry out all kinds of commercial trading and financial operations and all or any of the operations ordinarily performed by import, export and general merchants, factors, shippers, agents, traders, distributors, capitalists and financiers, either on the Company's own account or otherwise; and to open and establish shops, stalls, stores, markets and depots for the sale, collection and distribution of the goods dealt in by the Company.

- (b) To carry on any other business of any description which may be capable of being advantageously carried on in connection with or ancillary to the objects of the Company or any of them.
- (c) To purchase, sell, exchange, improve, mortgage, charge, rent, let on lease, hire, surrender, licence, accept surrenders of and otherwise acquire and deal with any freehold, leasehold or other property, chattels and effects, erect, pull down, repair, alter, develop or otherwise deal with any building or buildings and adapt the same for the purposes of the Company's business.
- (d) To purchase or otherwise acquire all or any part of the business or assets of any person, firm or company, carrying on or formed to carry on any business which this Company is authorised to carry on or possessed of property suitable to the purposes of this Company, and to pay cash or to issue any shares, stocks, debentures or debenture stock of this Company, as the consideration for such purchase or acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired.
- (e) To apply for, purchase or otherwise acquire any patents, licences or concessions which may be capable of being dealt with by the Company, or be deemed to benefit the Company and to grant rights thereout.
- (f) To sell, let, licence, develop or otherwise deal with the undertaking, or all or any part of the property or assets of the Company, upon such terms as the Company may approve, with power

to accept shares, debentures or securities of, or interests in, any other company.

- (g) To invest and deal with the moneys of the Company not immediately required for the purposes of the Company in or upon such securities and subject to such conditions as may seem expedient.
- (h) To lend money to such persons, upon such terms and with or without security and subject to such conditions as may seem desirable.
- (i) To guarantee the payment of any debentures, debenture stock, bonds, mortgages, charges, obligations, interest, dividends, securities, moneys or shares or the performance of contracts or engagements of any other company or person, and to give indemnities and guarantees of all kinds and to enter into partnership or any joint purse arrangements with any person, persons, firm or company having for its objects similar objects to those of this Company or any of them.
- (j) To borrow or raise money in such manner as the Company shall think fit, and in particular, by the issue of debentures or debenture stock, charged upon all or any of the Company's property, both present and future including its uncalled capital, and to re-issue any debentures at any time paid off.
- (k) Either with or without the Company receiving any consideration or advantage, direct or indirect, from giving any such guarantee or indemnity and so as to be an independent object of the Company to guarantee the performance of the obligations of others including the payment of capital or principal together with any premium of and any dividends or interest on or other payment in respect of loans, credits, stocks, shares, or securities or other obligations of any nature whatsoever and without limiting the generality of the foregoing obligations for the repayment of money and/or discharge of liabilities both present and future, actual or contingent and insofar as the same is not prohibited by law, obligations and liabilities incurred in connection with or for the purpose of the acquisition of shares in the Company or in any company which is for the time being the Company's holding company as defined by Section 736 of the Companies Act 1985 due, owing or incurred to bankers or any other person or any company, firm or person, and in particular, (but not by way of limitation) of the Company's holding company or any company which is contemplated to become the Company's holding company or a subsidiary, as defined by Section 736 of the Companies Act 1985 of the Company or of the Company's holding company, or otherwise associated with the Company in business or of any company, firm or person which the directors of the Company shall think appropriate and to give security whether by way of mortgages, charges, liens or otherwise upon all or any of the property or assets of the Company (both present and future) including its uncalled capital in support of such guarantees or otherwise as security for any such obligations and liabilities of others.
- (l) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures, warrants and other negotiable documents.



- (m) To purchase, subscribe for, or otherwise acquire and hold shares, stock or other interests in, or obligations of any other company or corporation.
- (n) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (o) To pay out of the funds of the Company all costs and expenses of or incidental to the formation and registration of the Company and the issue of its capital and debentures including brokerage and commission.
- (p) To promote or aid in the promotion of any company or companies for the purpose of acquiring all or any of the property rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to advance the interests of this Company.
- (q) To establish and support and aid in the establishment and support of funds or trusts calculated to benefit employees or ex-employees of the Company (including any Director holding a salaried office or employment in the Company) or the dependents or connections of such persons and to grant pensions and allowances to any such person.
- (r) To purchase and maintain for any officer of the Company, or the auditors of the Company for the time being, insurance against any liability which by virtue of any rule of law would otherwise attach to him or them in respect of any negligence, default, breach of duty or breach of trust of which he or they may be guilty in relation to the Company.
- (s) To remunerate the Directors of the Company in any manner the Company may think fit, and to pay or provide pensions for or make payments to or for the benefit of Directors and ex-Directors of the Company or their dependents or connections.
- (t) To distribute any property of the Company in specie among the members.
- (u) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

It is declared that the foregoing sub-clauses shall be construed independently of each other and none of the objects therein mentioned shall be deemed to be merely subsidiary to the objects contained in any other sub-clause.

5. The liability of the Members is limited.

\*6. The Company's Share Capital is £1,000,000 divided into 1,000,000 Ordinary Shares of £1 each, with power to increase or to divide the shares in the capital for the time being, into different classes having such rights, privileges and advantages as to voting and otherwise, as the Articles of Association may from time to time prescribe.

\*see next page/....

\*The Company was incorporated with an authorised share capital of £1,000,000 divided into 1,000,000 Ordinary Shares of £1 each. On 24th March 1993 it was increased to £1,750,000 divided into 1,750,000 Ordinary Shares of £1 each.

We, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

NAMES AND ADDRESSES OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
---------------------------------------	---

ROBIN STUART CRAIG JOHNSON 12 Riverside Court Leeds LS1 7BU	ONE
--	-----

JACK BARKER 21 Silverdale Drive Guiselley Leeds LS20 8BE	ONE
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TOTAL SHARES TAKEN	TWO
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DATED the 6th day of February 1992  
WITNESS to the above Signatures

James R E Coley  
Cloth Hall Court  
Infirmary Street  
Leeds  
LS1 2JB

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE BLACK SHEEP BREWERY PLC

1. No regulations set out in any schedule to any statute concerning companies shall apply as regulations or articles of the Company.

INTERPRETATION

2. In these Articles unless the context otherwise requires:-
  - "the Companies Acts" means every statute from time to time in force and every modification or re-enactment thereof for the time being in force concerning companies insofar as the same applies to the Company;
  - "these Articles" means these Articles of Association in their present form or as from time to time altered;
  - "the Office" means the registered office of the Company;
  - "the Seal" means the Common Seal of the Company or any official seal which the Company may be permitted to have under the Companies Acts;
  - "the United Kingdom" means Great Britain and Northern Ireland;
  - "Member" means a member of the Company;
  - "the Board" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;
  - "Executive Director" means a full time Chairman or a Managing Director, Joint Managing Director or Assistant Managing Director or an employee of the Company or any of its subsidiaries who is also a Director of the Company;
  - "the Register" means the Register of Members of the Company;
  - "paid up" means paid up or credited as paid up;
  - "debenture" and "debenture holder" shall include debenture stock and debenture stockholder respectively;
  - "the Secretary" includes a temporary, joint, deputy or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;
  - references to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form;
  - any words or expressions defined in the Companies Acts in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be); and
  - where for any purpose an ordinary resolution of the Company is required a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution of the Company is required a special resolution shall also be effective.

#### SHARE CAPITAL

3. The authorised share capital of the Company at the date of the adoption of these Articles is 1,000,000 pounds divided into 1,000,000 Ordinary Shares of £1 each.

#### REGISTERED OFFICE

4. The Office shall be at such place in England as the Board shall from time to time appoint.

#### SHARE RIGHTS

5. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
6. Subject to the Companies Acts, any shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed.

#### MODIFICATION OF RIGHTS

7. Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any meeting of such holders adjourned through want of a quorum one or more holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.
8. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

#### SHARES

9. Subject to the provisions of the Companies Acts and of these Articles, the Board may exercise all powers of the Company to offer, allot, grant options over or otherwise dispose of all relevant securities, at

such times and for such consideration and upon such terms and conditions as the Board may determine.

10. Subject to the Companies Acts, the Company may purchase in any manner the Board considers appropriate, any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par) and any shares to be so purchased may be selected by the Board in any manner whatsoever.
11. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.
12. Except as ordered by a Court of competent jurisdiction or 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 be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### CERTIFICATES

13. Every person (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) whose name is entered as a Member in the Register shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class or several certificates each for one or more of his shares of such class upon payment for every certificate after the first of the Company's reasonable out-of-pocket expenses as the Board may determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member (except such a nominee as aforesaid) who has transferred part of the shares comprised in his holding shall be entitled to a certificate for the balance without charge.
14. If a share certificate is worn out, defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and any exceptional out of pocket expenses of the Company of investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.
15. All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal without any attestation thereof. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

## LIEN

16. 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 date fixed by or in accordance with the terms of issue of such share in respect of such share. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article.
17. The Company may sell, in such manner as the Board may think fit, any share 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 the intention to sell in default of such payment, has been served on the holder for the time being of the share.
18. The net proceeds of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

## CALLS ON SHARES

19. The Board may 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 not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen 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. A call may be revoked or postponed as the Board may determine.
20. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
22. If a sum called in respect of a share shall not be 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 such rate, not exceeding Twelve per cent per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

23. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made, notified 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 and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
24. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
25. The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) six per cent per annum, as may be agreed upon between the Board and the Member paying such sum in advance.

#### FORFEITURE OF SHARES

26. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board 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.
27. The notice shall name a further day (not being less than fourteen days from the date of the notice) 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 on or before the day and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture shall include surrender.
28. 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 or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
29. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
30. Until cancelled in accordance with the Companies Acts a forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall



think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board may think fit.

31. A person whose shares have been forfeited shall thereupon cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at the rate of Twelve per cent per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Board may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.
32. 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 on the 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. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

#### TRANSFER OF SHARES

33. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve.
34. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, may be retained by the Company. The registration of transfers may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may from time to time determine.
35. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which is not a fully paid share.
36. The Board may also decline to register any transfer unless:-
  - (a) the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,
  - (b) the instrument of transfer is in respect of only one class of share, and

(c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

37. If the Board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.
38. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making any entry in the Register relating to any share.

#### TRANSMISSION OF SHARES

39. In the case of the death of a Member the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole holder, shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.
40. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, subject as hereinafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects 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 his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. 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 instrument of transfer as aforesaid as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Member.
41. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. Provided always that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

## STOCK

42. The Company from time to time by ordinary resolution may convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.
43. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.
44. The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividend and voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights (except as to participation in dividends and in assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.
45. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder" respectively.

## INCREASE OF CAPITAL

46. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
47. Subject to the provisions of the Companies Acts the Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to the issue of the new shares.
48. The new shares shall be subject to all the provisions of these Articles with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise.

## ALTERATIONS OF CAPITAL

49. The Company may from time to time by ordinary resolution:-
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless, to the Companies Acts) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;
- (c) 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 its authorised share capital by the amount of the shares so cancelled;

and may also by special resolution:-

- (d) subject to any confirmation or consent required by law, reduce its authorised and issued share capital, any capital redemption reserve fund or any share premium account in any manner.

Where any difficulty arises in regard to any consolidation and division under paragraph (a) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, 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 in reference to the sale.

#### GENERAL MEETINGS

- 50. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.
- 51. The Board may, whenever it thinks fit, convene an extraordinary general meeting.

#### NOTICE OF GENERAL MEETINGS

- 52. An annual general meeting and any meeting called for the passing of a special resolution shall be called by not less than twenty one days' notice in writing and a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice in writing. The 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, and shall specify the place, day and time of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every general

meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, it shall be deemed to have been duly called if it is so agreed:-

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat, and
  - (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than Ninety-five per cent in nominal value of the shares giving that right.
53. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

54. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:-
- (a) the declaration and sanctioning of dividends;
  - (b) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
  - (c) the election of Directors in place of those retiring by rotation or otherwise;
  - (d) the appointment of auditors where special notice of the resolution for such appointment is not required by the Companies Acts; and
  - (e) the fixing, or the determining of the method of the fixing, of the remuneration of the Auditors.
55. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a Chairman which shall not be treated as part of the business of the Meeting. Save as otherwise provided by these Articles, at least two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Acts.
56. If within thirty minutes after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of

Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than fourteen nor more than twenty eight days thereafter) and at such other time or place as the chairman of the meeting may determine and at any such adjourned meeting two or more Members present in person or by proxy and entitled to vote (whatever the number of shares held by them) shall be a quorum. The Company shall give not less than seven days' notice in writing of any meeting adjourned through want of a quorum and such notice shall state that two or more Members present in person or by proxy and entitled to vote (whatever the number of shares held by them) shall be a quorum.

57. Each Director shall be entitled to attend and speak at any general meeting of the Company.
58. The Chairman (if any) of the Board or, in his absence, the deputy Chairman (if any) shall preside as chairman at every general meeting. If there is no such Chairman or deputy Chairman, or if at any meeting neither the Chairman nor the deputy Chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll (whatever their number) shall elect one of their number to be chairman.
59. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at 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, notice of the adjourned meeting shall be given as in the case of an original meeting.
60. Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### VOTING

61. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:-
  - (a) the chairman of the meeting; or
  - (b) at least three Members present in person or by proxy and entitled to vote; or
  - (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
  - (d) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not

less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

62. If a poll is duly demanded the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
63. 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 in such manner and either forthwith or at such time (being not later than thirty days after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll which is not taken forthwith.
64. 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, and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
65. On a poll votes may be given either personally or by proxy.
66. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
67. In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to an additional or casting vote.
68. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person at a general meeting of the Company shall have one vote, and on a poll every Member (subject as hereinafter set out) who is present in person or by proxy shall have one vote for every ordinary share of which he is the holder.
69. 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 in respect of the joint holding.
70. A Member who is a patient for the purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings.

71. (1) No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (2) Where any registered holder of any shares in the Company or any named person in respect of any shares in the Company fails to comply within twenty eight days with any notice (in this Article called a "statutory notice") given by the Company under the Companies Acts requiring him to give particulars of any interest in any such shares, the Company may give the registered holder of such shares a notice (in this Article called "a disenfranchisement notice") stating or to the effect that such shares shall from the service of such disenfranchisement notice confer on such registered holder no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the statutory notice has been complied with and such shares shall confer no right to attend or vote accordingly. For the purposes of this Article "a named person" means a person named as having an interest in the shares concerned in any response to any statutory notice served on the registered holder or on a person previously so named. A disenfranchisement notice may be cancelled by the Board at any time and shall automatically cease to have effect in respect of any share transferred upon registration of the relevant transfer.

72. If :-

- (a) any objection shall be raised to the qualification of any voter, or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

#### PROXIES

73. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of officer, attorney or other person authorised to sign the same.
74. A proxy need not be a Member.
75. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in the United



Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment, or, in either case, in any document sent therewith) 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 or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. 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.

76. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
77. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

#### DIRECTORS

78. Unless and until otherwise determined by ordinary resolution of the Company, the Directors shall not be less than two in number and there shall be no maximum number of Directors.

#### DIRECTORS FEES

79. Each of the Directors shall be paid a fee at such rate as may from time to time be determined by the Board.

#### AGE OF DIRECTORS

80. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of Seventy years or any other age nor need the age of any such person or Director or the fact that any such person or Director is over Seventy or any other age be stated in any notice or resolution relating to his appointment or re-appointment, nor shall it be necessary to give special notice under the Companies Acts of any resolution appointing, re-appointing or approving the appointment of a Director by reason of his age.

#### DIRECTORS' SHAREHOLDING QUALIFICATION

81. No shareholding qualification for Directors shall be required.

#### APPOINTMENT AND REMOVAL OF DIRECTORS

82. Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
83. The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the Companies Acts, remove any Director before the expiration of his period of office (including any Executive Director but without prejudice to any claim he may have against the Company for damages under any contract) and may (subject to these Articles) by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

#### DISQUALIFICATION OF DIRECTORS

84. Without prejudice to the provisions for retirement by rotation hereinafter contained the office of a Director shall be vacated in any of the events following, namely :-
- (a) if (not being an Executive Director whose contract of employment precludes resignation) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;
  - (b) if (being an Executive Director) his appointment as an Executive Director is terminated and the Board resolves that his office is vacated;
  - (c) if by notice in writing delivered to the Office or tendered at a meeting of the Board his resignation is requested by all of the other directors and all of the other directors are not less than three in number;
  - (d) if he becomes of unsound mind or a patient for any purposes of any statute relating to mental health and the Board resolves that his office is vacated;
  - (e) if, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolves that his office is vacated;
  - (f) if he becomes bankrupt or compounds with his creditors;
  - (g) if he is prohibited by law from being a Director;
  - (h) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Articles.

#### ROTATION OF DIRECTORS

85. At every annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. Notwithstanding the foregoing a Director shall not, while holding office as a Managing Director, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. A Director retiring at a meeting shall retain office until the close of the meeting.
86. The Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.
87. A retiring Director shall be eligible for re-election.
88. Subject to the provisions of these Articles, the Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.
89. Subject as aforesaid, the Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.
90. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, at least seven and not more than twenty eight clear days before the day appointed for the meeting, there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

#### EXECUTIVE DIRECTORS

91. The Board may from time to time appoint one or more of its body to be an Executive Director or Executive Directors for such period (subject to the Companies Acts) and upon such terms as the Board may determine and may revoke any such appointment. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of

service between him and the Company which may be involved in such revocation or termination.

92. An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

#### ALTERNATE DIRECTORS

93. (1) Each Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate Director. If such alternate Director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.
- (2) Every person acting as an alternate Director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate Director.
- (3) Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director) but he shall count as only one for the purpose of determining whether a quorum be present. The signature of an alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
- (4) 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 at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

#### ADDITIONAL REMUNERATION AND EXPENSES

94. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings and shall be paid all costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by the Board's request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

#### DIRECTORS' INTERESTS

95. (1) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (2) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (3) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the Members for any remuneration, profits or other benefits received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officer of such other company.
- (4) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (5) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other Company in which the Company is interested, a separate resolution may be put in relation to each Director 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 (or the arrangement or variation of the terms thereof or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns One per cent or more.

- (6) Subject to the Companies Acts and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (7) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (8) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but in the absence of any other material interest this prohibition shall not apply to any of the following matters namely:-
- (i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
  - (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or

obligation of the Company which the Director has himself guaranteed or secured in whole or in part;

- (iii) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, debentures or other securities of the Company;
  - (iv) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
  - (v) any contract or arrangement concerning any other company (not being a company in which the Director owns one per cent or more) in which he is interested directly or indirectly whether as an officer shareholder creditor or otherwise howsoever;
  - (vi) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company and any of its subsidiaries and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;
  - (vii) any arrangement for the benefit of employees under which the Director benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates.
- (9) A company shall be deemed to be a company in which a Director owns one per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.
- (10) Where a company in which a Director holds one per cent or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (11) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or as to the entitlement of any Director other than such Chairman to vote or be counted in the quorum and such question is not resolved by his voluntarily

agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting 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 interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.

- (12) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

#### BORROWING POWERS

96. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Acts, 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.

The Board 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 subsidiaries undertakings (if any) with a view to securing (but as regards subsidiaries undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount from time to time outstanding of all moneys borrowed or secured by the Group (exclusive of moneys outstanding in respect of borrowings by one member of the Group from another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to one and one half times the Adjusted Capital and Reserves. For the purpose of this Article:-

- (i) "the Adjusted Capital and Reserves" means the aggregate from time to time of:-
- (a) the amount paid up or credited as paid up on the issued share capital of the Company;
  - (b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve fund and any credit balance on profit and loss account) all as shown by the then latest audited balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve fund since the date of such audited balance sheet;



- (ii) the nominal amount of any share capital issued and the principal amount of any debenture or moneys borrowed (together in each case with any fixed or minimum premium payable on final repayment) the beneficial interest wherein is owned otherwise than by the Company or a subsidiary of the Company and the repayment whereof is guaranteed by the Company or by any subsidiary shall (if not otherwise taken into account) be deemed to be moneys borrowed by the Group;
- (iii) the principal amount owing (otherwise than to the Company or a subsidiary of the Company) on any debentures or instruments of the Company or any subsidiary of the Company howsoever issued (together with any fixed or minimum premium payable on final repayment) shall (if not otherwise taken into account) be deemed to be moneys borrowed;
- (iv) the principal amount raised by the acceptance by the Company or any subsidiary of the Company of Bills (not being acceptances of trade bills for the purchase of goods in the ordinary course of business) or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiary of the Company shall be deemed to be moneys borrowed;
- (v) the nominal amount of any issued share capital of a subsidiary (not being equity share capital) owned otherwise than by the Company or a subsidiary of the Company (together with any fixed or minimum premium payable on final repayment) shall be deemed to be moneys borrowed;
- (vi) moneys borrowed or secured by the Company or any subsidiary of the Company for the purpose of redeeming or repaying within six months any moneys borrowed or secured by the Company or any subsidiary shall not be treated as moneys borrowed or secured pending their application for that purpose within such period;
- (vii) the following shall be deducted in calculating the aggregate amount from time to time outstanding of all moneys borrowed or secured:-
  - (a) an amount equal to the aggregate sum remaining borrowed or secured by any company becoming an undertaking of the Company immediately after it becomes such a subsidiary undertaking from the time it becomes such a subsidiary undertaking until completion of the audited balance sheet for the financial year in which it becomes a subsidiary undertaking; and
  - (b) an amount equal to the aggregate sum remaining secured on any assets acquired by the Company or any of its undertakings immediately after such acquisition from the time of such acquisition until completion of the audited balance sheet for the financial year in which such acquisition occurs,

provided that if an amount remaining secured could be calculated under (a) or (b), it shall only be calculated under either (a) or (b) and not both so that such amount shall only be deducted once.

(viii) moneys borrowed or secured which are to be paid or discharged in a currency other than sterling shall be converted into sterling at the relevant rate of exchange ruling in London on the Business Day immediately preceding that as at which the amount of such moneys is being calculated, provided that all (but not some only) of such moneys as were outstanding at the end of the immediately preceding financial year of the Company in respect of which an audited balance sheet has been completed shall be converted at the rates so ruling at the end of such financial year if, so converted they would, when added to all other moneys referred to in this paragraph (viii) converted on the said business day, be less than the aggregate amount of all moneys borrowed or secured which would, but for this proviso fail to be taken into account for the purposes of this paragraph (viii);

(ix) moneys borrowed or secured for the purpose of financing any contract in respect of which any part of the price receivable by the Company or a subsidiary of the Company is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade, or by any other Governmental Department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured shall not be treated as moneys borrowed or secured;

(x) "audited balance sheet" shall mean the audited balance sheet of the Company prepared for the purposes of the Companies Acts unless at the date of the then latest such balance sheet there shall have been prepared for such purposes a consolidated balance sheet of the Company and its subsidiary undertakings (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Companies Acts) and in the latter event "audited balance sheet" shall mean the audited consolidated balance sheet of the Company and such subsidiary undertakings, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiary undertakings;

(xi) "the Group" means the Company and its subsidiaries (if any);

(xii) the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided any new convention adopted complies with the requirements of the Companies Acts: if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited

balance sheet shall be taken as the audited balance sheet for the purposes of this Article.

A certificate or report by the Auditors for the time being of the Company as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or secured or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.

Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see to or inquire whether the limit imposed by this Article is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed has been or was thereby exceeded.

#### POWERS AND DUTIES OF THE BOARD

97. The business of the Company shall be managed by the Board which may pay all expenses incurred in forming and registering the Company and may exercise all such powers of the Company as are not by the Companies Acts or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Companies Acts and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by special resolution of the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
98. The Board may establish 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. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.
99. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it 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 Board may think fit, and may also authorise any such

attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

100. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
101. The Company may exercise the powers conferred by the Companies Acts with regard to having official seals, and such powers shall be vested in the Board.
102. Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.
103. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
104. The Board shall cause minutes or records to be made in books provided for the purpose:-
  - (a) of all appointments of officers made by the Board;
  - (b) of the names of the Directors present at each meeting of the Board or Committee of the Board; and
  - (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of any Committee of the Board.
105. The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director.
106. The Board may exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### PROCEEDINGS OF THE BOARD

107. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of the meeting shall have an additional or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.
108. Notice of a Board meeting shall be deemed to be duly given to a Director if the same is given to him personally or by word of mouth or

sent to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

109. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
110. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling up vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
111. The Board may elect a Chairman and a deputy Chairman of its meetings and determine the period for which they are respectively to hold office. If no such Chairman or deputy Chairman is elected, or if at any meeting neither the Chairman nor the deputy Chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
112. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
113. Subject as hereinafter provided, the Board may delegate any of its powers, authorities and discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, and any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. Provided however that:-
  - (i) at least one half of the total number of any committee shall be members of the Board and
  - (ii) no resolution of any such committee shall be effective unless a majority of the members of the committee present at the meeting are members of the Board.
114. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so

far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

115. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (provided the number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.
116. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

#### SECRETARY

117. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board.
118. A provision of the Companies Acts or 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 SEALS

119. The Board shall provide for the custody of every Seal. A Seal shall only be used by the authority of the Board or of a Committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by one or more Directors and the Secretary or by two or more Directors, and any instrument to which a seal (other than the common seal) is affixed need not, unless the Board for the time being otherwise determines or the law otherwise requires, be signed by any person.

#### DIVIDENDS AND OTHER PAYMENTS

120. Subject to the provisions of the Companies Acts, the Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.
121. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:-
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which 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, and

- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
122. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company; the Board may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such position, in the opinion of the Board, justifies such payment.
123. The Board may deduct from any dividend or other moneys payable to any Member of the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
124. No dividend or other moneys payable on or in respect of any share shall bear interest against the Company.
125. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at its registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the Bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
126. (1) All dividends unclaimed for one year or more after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and shall not bear interest against the Company.
- (2) If any dividend warrants sent by post to any member are returned undelivered or are left uncashed on two consecutive occasions, the Board may cease sending dividend warrants to such member until given by him a new registered address and all such dividends returned or uncashed and all such dividends resolved not to be sent shall be regarded as dividends unclaimed for one year or more to which the provisions of paragraph (1) of this Article shall apply.
- (3) Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

(4) The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by means of transmission if and provided that :-

- (i) during a period of twelve years, in which at least three dividends in respect of the shares in question have become payable, all warrants and cheques sent by the Company through the post in a prepaid letter addressed to the member at his registered address or to the person so entitled at the address shown in the Register of Members as his address have remained uncashed and not been claimed; and
- (ii) the Company shall have inserted advertisements both in a leading London newspaper and in a newspaper circulating in the area of the said address and given notice of its intention to sell the said shares; and
- (iii) during the said period of twelve years and the period of three months following the said advertisements the Company shall have had no indication that such member or person can be traced; and
- (iv) notice shall have been first given to the Quotations Department of The Stock Exchange in London of its intention so to do.

To give effect to any such sale, the Board may appoint any person to execute as transferor an instrument of transfer of such shares or any of them and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares. The Company shall account to the member or other person entitled to such shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any moneys not accounted for to the member or other person entitled to such shares shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate accounts may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.

127. Any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

128. The Board may, if authorised by an ordinary resolution of the Company and subject as hereinafter mentioned and to the provisions of the Companies Acts, offer the holders of ordinary shares ("the



Shareholders") the right to elect to receive additional new ordinary shares, credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends (or part thereof) as are specified by such resolution. The following provisions shall apply :-

- (a) the said resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the Annual General Meeting next following the date of the meeting at which such resolution is passed;
- (b) the entitlement of each Shareholder to new ordinary shares shall be such that the Relevant Value of such new ordinary shares shall be as nearly as possible equal to (but not greater than) the cash amount that the Shareholder would have received by way of dividend. For this purpose, "Relevant Value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares taken from the Daily Official List of The Stock Exchange on the day on which the ordinary shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the said resolution. A certificate or report by the Auditors to the Company as to the Relevant Value in respect of any dividend shall be conclusive evidence of that amount;
- (c) the Board, after determining the basis of allotment, shall notify the Shareholders in writing of the right of election offered to them, and specify the procedure to be followed and the place at which and the latest time by which elections must be lodged in order to be effective;
- (d) the Board may exclude from any offer any Shareholders where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that, for any other reason, the offer should not be made to them;
- (e) the dividend (or that part of the dividend in respect of which as right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made ("the Elected Shares") and instead additional new ordinary shares shall be allotted to the Shareholders holding the Elected Shares on the basis of allotment determined as aforesaid. For such purpose, the Board shall capitalise out of such of the sums standing to the credit of any reserve or fund (including the share premium account and any capital reserve) or such of the profits which would otherwise have been applied in paying dividends in cash as the Board may determine a sum equal to the aggregate nominal amount of the new ordinary shares to be allotted on that basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the Shareholders holding the Elected Shares on that basis;
- (f) the new ordinary shares when so allotted shall rank pari passu in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of dividend); and

- (g) the Board may do all such acts and things as it considers necessary or expedient to give effect to any such capitalisation, with full power to make such provisions as it thinks fit in the case of new ordinary shares becoming distributable (including provision whereby in whole or in part fractional entitlements are disregarded or rounded up or down or the benefit of fractional entitlements accrues to the Company rather than to the Shareholders).

#### RESERVES

129. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

#### CAPITALISATION OF PROFITS

130. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve fund may only be applied in the paying up of unissued shares to be allotted to such Members credited as fully paid.
131. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in the paying up in full of unissued shares to be allotted as fully paid shares by way of capitalisation to the Members or any class of Members who would have been entitled to that sum if it were distributed by way of dividend, and in the same proportions, and the Board shall give effect to such resolution.
132. Where any difficulty arises in regard to any distribution under the last two preceding Articles the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions

altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

#### RECORD DATES

133. Notwithstanding any other provision of these Articles the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### ACCOUNTS

134. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions in accordance with the Companies Acts.
135. The accounting records shall be kept at the Office or, subject to the Companies Acts, at such other place or places as the Board may think fit and shall always be open to inspection by the Officers of the Company. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board.
136. 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, together with a copy of the Auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts and copies shall also be sent in appropriate numbers to The Stock Exchange in accordance with the terms of any obligation for the time being binding on the Company.

#### AUDIT

137. Auditors shall be appointed and their duties regulated in accordance with the Companies Acts.

#### SERVICE OF NOTICES AND OTHER DOCUMENTS

138. Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. All notices or other documents served on or delivered to joint holders shall, unless such holders otherwise in writing direct, be served on or delivered to that one of the joint holders whose name stands first in the Register.
139. Any Member described in the Register 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 by an address within the United Kingdom shall be entitled to receive any notice from the Company.

140. Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day after the day when the same was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
141. Any notice or other 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 is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered 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 or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

#### DESTRUCTION OF DOCUMENTS

142. The Company may destroy all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration, and all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of such cancellation or cessation, and all notifications of change of name or address or other documents resulting in changes in the Register after the expiration of one year from the date they were recorded, and it shall conclusively be presumed in favour of the Company that every entry in the Register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid

or in any case where the conditions of proviso (a) above are not fulfilled;

and

- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

#### WINDING-UP

143. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid 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 sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability.

#### INDEMNITY

144. Every Director, Executive Director, Manager, Officer and Auditor of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Executive Director, Manager, Officer or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the Court.

NAMES AND ADDRESSES OF SUBSCRIBERS

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12 Riverside Court  
Leeds  
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JACK BARKER  
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LS20 8BE

DATED the 6th day of February 1992  
WITNESS to the above Signatures

James R E Coley  
Cloth Hall Court  
Infirmary Street  
Leeds  
LS1 2JB