

**THE COMPANIES ACT 1985 and 1989**

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**A PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**LONDON SECURITY PLC**

(Adopted by Special Resolution passed on 26 September, 1988 and amended by Special Resolutions passed on 24 July 1989 and 31 May 2005)

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**PART I**

**1 PRELIMINARY**

1.1 The regulations in Table A in the Schedule to the Companies (Tables A-F) Regulations 1985 shall not apply to the Company.

1.2 In these presents (if not inconsistent with the subject or context and save as expressly provided herein) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

**The Act** means the Companies Act 1985;

**The Office** means the registered office of the Company for the time being;

**These presents** means these Articles of Association as from time to time altered by Special Resolution;

**Group** means the Company and its subsidiaries;

**Seal** means the Common Seal of the Company;

**Securities Seal** means an official seal kept by the Company pursuant to Section 40 of the Act;

**The Statutes** means the Act and every other Act for the time being in force concerning companies and affecting the Company;

**Recognised clearing house** means a recognised clearing house within the meaning of the Financial Services Act 1986 acting in relation to a recognised investment exchange (as defined in the Financial Services Act 1986);

**Transfer Office** means the place where the Register of Members is situate for the time being;

**The United Kingdom** means Great Britain and Northern Ireland;

**Month** means Calendar Month;

**Year** means Calendar Year;

**In writing** means written, which expression shall include typewriting, printing, lithography, photography and other modes of representing and reproducing words in a legible and non-transitory form.

**Paid** means paid or credited as paid.

- 1.3 The expressions **debenture** and **debenture holder** shall respectively include **debenture stock** and **debenture stockholder**
- 1.4 In these presents any reference to any statutory provision or enactment shall include any statutory modification or re-enactment thereof.
- 1.5 The expression **Secretary** shall mean any person qualified in accordance with the Statutes appointed by the Directors to perform any of the duties of the secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.
- 1.6 Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.
- 1.7 A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these presents.
- 1.8 Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these presents.

## PART II

## **2 SHARE CAPITAL OF THE COMPANY**

The authorised share capital of the Company, as at the date of the coming into effect of this Article, is £696,943.91 divided into 69,694,391 ordinary shares of 1p each.

## **3 VARIATION OF RIGHTS**

3.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares or any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

3.2 The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of the issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

## **4 PURCHASE BY THE COMPANY OF ITS OWN SHARES**

4.1 Subject to the provisions of paragraph (B) and (C) below the Company may purchase its own shares (including any redeemable shares) in any manner authorised by the Act and with and subject to all prior authorities of the Company in general meeting as specified under that Act provided however that the Company may not purchase any of its shares under this Article if as a result of the purchase of the shares in question there would no longer be any member holding shares in the Company other than redeemable shares.

4.2 The Company may not purchase its own shares if at the time of such purchase there are outstanding any convertible shares of the Company unless such purchase has been sanctioned by an Extraordinary Resolution passed at a separate class meeting of the holders of any class of convertible shares.

4.3 Purchases by the Company of its own redeemable shares shall, where such shares are listed by The Stock Exchange, be limited to a maximum price which, in the case of purchases through the market or by tender, will not exceed the average of the middle market quotations taken from The Stock Exchange Daily Official List for the 10 business days before the purchase is made or in the case of a purchase through the market, at the market price, provided that it is not more than 5 per cent above such average. If such purchases are by tender, tenders shall be made available to all holders of such shares alike.

## **5 ALTERATION OF SHARE CAPITAL**

- 5.1 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. All new shares shall be subject to the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
- 5.2 The Company may by Ordinary Resolution:
- 5.2.1 Consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares.
- 5.2.2 Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.
- 5.2.3 Sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), 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, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.
- 5.3 Upon any consolidation of fully paid shares into shares of larger nominal value the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale and for such purpose may appoint some person to transfer the consolidated share to the purchaser and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any invalidity or irregularity in the proceedings in reference to the sale.
- 5.4 The Company may by Special Resolution reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any incident authorised and consent required by law.

## **6 STOCK**

- 6.1 The Company may from time to time by Ordinary Resolution 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 *par 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.
- 6.2 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.

- 6.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.
- 6.4 All such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words **share** and **shareholder** herein shall also include **stock** and **stockholder** respectively.

## 7 SHARES

- 7.1 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

- 7.2 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine).

Subject to the provisions of the Statutes, any shares of the Company, whether preference shares or otherwise, may, with the sanction of an Ordinary Resolution, be issued on terms that such shares, are, or at the option of the Company or the holder of such shares are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

- 7.3 The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of Calls to be paid and the time of payment of such Calls.

If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

The joint holders of a share shall be severally as well as jointly liable for payment of all installments and Calls in respect of such share, and any of such persons may give effectual receipts for any return of capital in respect of such share.

- 7.4 Subject to the provisions of the Statutes (and of any resolution of the Company in general meeting passed pursuant thereto) and of these presents, all unissued shares shall be at the disposal of Directors and they may allot with or without conferring a right of

renunciation, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms as they think proper.

- 7.5 The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 7.6 Subject to the provisions of the Statutes and if these presents, the Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

## **8 SHARE CERTIFICATES**

- 8.1 Every definitive share certificate shall be issued under the seal (or the Securities Seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No definitive certificate shall be issued representing shares of more than one class. Unless the Directors otherwise determine no definitive certificate shall be issued in respect of shares held by a Recognised Clearing House.
- 8.2 In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one or more joint holders shall be sufficient delivery to all.
- 8.3 Subject to the provisions of these presents, any person excluding a Recognised Clearing House to whom no certificate is to be issued pursuant to Article 20 above whose name is entered in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate therefor (in the case of issue) within two months (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer) transfer.
- 8.4 Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares be issued in lieu without charge.

Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such a request.

If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if the old certificate is alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and (in either case) to the payment of such exceptional out-of-pocket expense of the Company in connection with the request as the Directors may think fit.

In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

- 8.5 All forms of certificate for share or loan capital or other securities of the Company (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 a Seal. 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.

## **9 CALLS ON SHARES**

- 9.1 The Directors 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 value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by installments.
- 9.2 Each member shall (subject to receiving 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. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
- 9.3 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent. per annum) as the Directors may determine and shall also pay all costs charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call but the Directors shall be at liberty in any case or cases to waive payment of such interest, costs, charges and expenses, wholly or in part.
- 9.4 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of the issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of the issue the same becomes payable. In case of non-payment all the relevant provisions of these presents 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.
- 9.5 The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 9.6 The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay

interest at such rate (not exceeding 12 per cent. per annum) as the member paying such sum and the Directors agree upon. The Directors may also at any time repay the amount so advanced upon giving to such members one month's notice in writing.

## **10 FORFEITURE**

- 10.1 If a member fails to pay in full any call or installment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
- 10.2 The notice shall name a further day (not being less than seven days from the date of service 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 in accordance therewith the shares on which the call was made will be liable to be forfeited.
- 10.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
- 10.4 A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be annulled by the Directors on such terms as they think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.
- 10.5 A member whose shares have been forfeited or surrendered shall cease to be a member in respect of those shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at such rate (not exceeding 15 per cent. per annum) as the Directors may determine from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.
- 10.6 When any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share; but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice as aforesaid.
- 10.7 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

## **11 LIEN**

- 11.1 Subject to the provisions of section 150 of the Act, the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
- 11.2 The Company may sell in such manner as the Directors 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 intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
- 11.3 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.
- 11.4 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the 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, surrender, sale, re-allotment or disposal of the share.

## **12 TRANSFER OF SHARES**

- 12.1 All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
- 12.2 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than thirty days in any year.
- 12.3 The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully paid shares). The Directors may also refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly. If the Directors refuse to register a transfer pursuant to the provisions of this Article they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

- 12.4 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a Recognised Clearing House the lodgement of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question.

All instruments of transfer which are registered may be retained by the Company.

- 12.5 No fee will be charged by the Company in respect of the registration of any instruments of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

- 12.6 The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of any instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document herein before 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:

12.6.1 The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

12.6.2 Nothing herein contained 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 (i) above are not fulfilled;

12.6.3 References herein to the destruction of any document include references to the disposal thereof in any manner.

### **13 TRANSMISSION OF SHARES**

- 13.1 In case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to or interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him. Any person becoming entitled to a share in consequence of a death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement may (subject as herein provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to

the share either be registered himself as a holder of the share upon giving the Company notice in writing of his desire to be so registered or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event as aforesaid had not occurred and the notice or transfer were a transfer executed by such member.

- 13.2 Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or other event giving rise by operation of law to such entitlement shall (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.
- 13.3 The Directors with respect to fully paid-up shares may issue warrants (Share Warrants) stating that the bearer is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants. The Directors may determine and from time to time vary the conditions upon which Share Warrants shall be issued and upon which a new Share Warrant or coupon shall be issued in the place of one worn out, defaced or destroyed, but no new Share Warrant or coupon shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. The Directors may also determine and from time to time vary the conditions upon which the bearer of a Share Warrant shall be entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings, and upon which a Share Warrant may be surrendered and the name of the holder entered in the Register in respect of the shares therein specified. Subject to such conditions and to these articles the bearer of a Share Warrant shall be a member to the full extent. The bearer of a Share Warrant shall hold such warrant subject to the conditions for the time being in force with regard to Share warrants whether made before or after the issue of such warrant.

### **PART III**

#### **14 GENERAL MEETINGS**

- 14.1 The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting and the next. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 14.2 The Directors may whenever they think fit, and shall, on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting.

#### **15 NOTICE**

- 15.1 An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and any other General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is

served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such (if any) as are not under the provisions of these presents entitled to receive such notices from the Company: Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

15.1.1 in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

15.1.2 in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate any General Meeting or any proceedings thereat.

15.2 Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

15.3 Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

15.3.1 declaring dividends;

15.3.2 receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

15.3.3 appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

15.3.4 re-appointing the retiring Auditors (other than Auditors last appointed otherwise than by the Company in General Meeting);

15.3.5 fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

- 16.1 The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither shall be present within fifteen minutes after the time appointed for holding the meeting or willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be Chairman of the meeting.
- 16.2 No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote at that meeting shall be a quorum for all purposes.
- 16.3 If within half an hour from the time appointed for a General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) 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 seven days thereafter) and such time and place as may have been specified for the purpose in the notice convening the meeting or if not so specified) as the Chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in the like tanner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum and shall have power to decide upon all matters which would properly have been disposed of at the meeting from which the adjournment took place.
- 16.4 The Chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to plate 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. Where a meeting is adjourned sine die, the time and place for any adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of any adjourned meeting shall be given in like mariner as in the case of the original meeting.
- 16.5 Save as herein before expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 16.6 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by an error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

## **17 VOTING**

- 17.1 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- 17.1.1 the Chairman of the meeting; or
- 17.1.2 not less than three members present in person or by proxy and entitled to vote at the meeting; or

- 17.1.3 a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- 17.1.4 a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 17.2 A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 17.3 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
- If any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude to merit the vitiation of such result.
- 17.4 A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

## **18 VOTE OF MEMBERS**

- 18.1 Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any shares or class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- 18.2 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.
- 18.3 where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the grounds (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require,

permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company. -

18.4 No member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid.

18.5 It is to be regarded as a cardinal principle of the Company that all members and persons interested in shares of the Company shall comply with those provisions of Part VI of the Act and any statutory modification or re-enactment thereof whereby the Company is empowered by notice in writing to require any Member or other person as aforesaid within such reasonable time as is specified in the notice to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that member or in which such other person as aforesaid is interested (which provisions in this Article are referred to as the **statutory disclosure requirements**).

If any holder of or any other person appearing to be interested in any shares of the Company fails within such reasonable time as is specified in the said notice from the Company (being not less than 28 days after the date of service of such notice) to comply with the statutory disclosure requirements such holder shall not, as from the time of such failure and until notification to the Company of due compliance with the statutory disclosure requirements, be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of all the shares for the time being registered in the account in the register of members of the Company in respect of which such notice was served. For the purposes of this Article a person shall be treated as appearing to be interested in any shares if the holder of such shares has given to the Company a notification under Section 212 of the Act and such notification fails to establish the identities of those interested in the Shares (after taking into account the said notification and any other relevant notification made under Section 212 of the Act) and the Company knows or has reasonable cause to believe that the person in question is or may be interested in the Shares.

18.6 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and any vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

## **19 PROXIES**

19.1 A proxy need not be a member of the Company.

19.2 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

19.2.1 in the case of an individual shall be signed by the appointor or by his attorney; and

19.2.2 in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

- 19.3 An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- 19.4 An instrument appointing a proxy shall be deemed to include the right to demand or loin in demanding a poll and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 19.5 A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## **20 CORPORATIONS ACTING BY REPRESENTATIVES**

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the company and such corporation shall for the purpose of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **PART IV**

## **21 DIRECTORS**

- 21.1 Subject as hereinafter provided the Directors shall not be less than three nor more than seven in number. The Company may by Ordinary Resolution from time to time vary the minimum and maximum number of Directors.
- 21.2 There shall be no requirement for a Director to hold shares in the Company.
- 21.3 Each Director shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the capital of the Company:

- 21.3.1 Each of the Directors shall be paid out of the funds of the Company by way of remuneration for his services such remuneration as the Board of Directors shall determine up to a maximum amount of £10,000 per annum:
- 21.3.2 notwithstanding the rate of remuneration being paid at any time to any Director under the preceding paragraph the Chairman shall receive such additional sum as the Board of Directors shall determine up to a maximum amount of £5,000 per annum;
- 21.3.3 any remuneration payable under the two preceding paragraphs of this Article may be increased separately by the Board of Directors notwithstanding the provisions thereof if such increase is solely to meet the costs of any value Added Tax properly payable on such remuneration of a recipient -who holds the appointment of Director or Chairman in the course of his trade, profession or vocation; and
- 21.3.4 the Company may, by Ordinary Resolution, vote extra remuneration to the Directors, or to any Director, and either for one year or for any longer or shorter period.
- 21.4 Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors shall be entitled to be repaid all reasonable traveling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Board or of Committees of the Board or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors shall be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.
- 21.5 A Director may hold any other Office or place of profit under the Company except that of Auditor in conjunction with the - office of Director and may act in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. No Director shall be disqualified by his office from contracting with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise, nor subject to Section 320 of the Act shall any such contract nor any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor subject also to Section 320 of the Act shall any Director so contracting or being Interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest shall be disclosed by him in accordance with the provisions of the Statutes.

A Director 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 as a shareholder or otherwise, and unless otherwise agreed by such Director, shall not be accountable for any remuneration or other benefits received by him as a director or officer of, or by virtue of 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 officers of such other company.

## **22 MANAGING AND EXECUTIVE DIRECTORS**

22.1 The Directors may from time to time appoint one or more of their body to be Managing Director - or joint Managing Directors of the Company or to hold such other Executive Office- in relation to the management of the business of the Company as they may decide for such period as they think fit (subject to Section 319 of the Act), and may, from time to time (subject to the provisions of any service contract between him or them and the Company and without prejudice to any claim for damages he or they may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.

A Managing Director or such Executive Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation or retirement of Directors, but he shall (subject to the provisions of Article 95 hereof and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach of any service contract between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately (but without prejudice as aforesaid) cease to be a Managing Director or such Executive Director.

22.2 The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, and (without prejudice to the terms of any contract entered into in any particular case) may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **23 APPOINTMENT AND RETIREMENT OF DIRECTORS**

23.1 The office of a Director shall be vacated in any of the following events, namely:

23.1.1 If he shall become prohibited by law from acting as a Director.

23.1.2 If he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer.

23.1.3 if he shall give a receiving order made against him or in Scotland have his estate sequestrated or shall compound with his creditors generally.

23.1.4 If in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of his mental disorder or his becoming a patient under the Mental Health Act 1959 for his detention or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs.

23.1.5 If he shall be removed from office by notice in writing served upon him signed by all his co-Directors being not less than (two) in number, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall

have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

- 23.1.6 If he be absent from meetings of the Directors for six months without leave, and the Directors resolve that his office be vacated.
- 23.1.7 If he becomes prohibited from being a Director pursuant to the provisions of the Company Directors Disqualification Act 1986.
- 23.2 At each Annual General Meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.
- 23.3 The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. 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.
- 23.4 The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:
  - 23.4.1 Where at such meeting it is expressly resolved not to fill such office or the resolution for the re-election of such Director is put to the meeting and lost.
  - 23.4.2 Where such Director has given notice in writing to the Company that he is unwilling to be re-elected.
  - 23.4.3 Where the default is due to the moving of a resolution in contravention of the next following Article.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect another person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without break.

- 23.5 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by a meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
- 23.6 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty-two days (inclusive of the date

on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing, signed by some member (other than the person to be proposed) duly qualified 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.

- 23.7 The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any other person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation 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. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.
- 23.8 The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. without prejudice thereto the Directors shall also have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

## **24 ALTERNATE DIRECTORS**

- 24.1 Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his Alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.

An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director for whom he is appointed an alternate is not personally present and generally at such meeting to perform all the functions of a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of the Director for whom he is appointed an alternate) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director an alternate Director shall have one vote for every Director he represents in addition to his own, if he is himself a Director, and when so acting, where the quorum exceeds two, shall be considered as two Directors for the purpose of making a quorum. If the Director for whom he is appointed an alternate is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of the Director for whom he is appointed an alternate. To Each extent as the Directors may from time to time determine in relation to any committee of the Directors the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee

of which the Director for whom he is appointed an alternate is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these presents.

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any remuneration in respect of his appointment except only such part (if any) of the remuneration otherwise payable to the Director for whom he is appointed an alternate as such Director may by notice in writing to the Company from time to time direct.

Any alternate Director shall be an Officer of the Company, shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

## **25 MEETINGS AND PROCEEDINGS OF DIRECTORS**

- 25.1 Subject to the provisions of these presents the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Notice of a board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing 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 notice of a board meeting 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 meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retrospective.
- 25.2 The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. For the purpose of determining whether a quorum is present:
- 25.2.1 In the case of a resolution agreed by Directors in telephonic communications, all such Directors shall be counted in the quorum.
- 25.2.2 In the case of a meeting of Directors, in addition to the Directors present at the meeting any Director in telephonic communication with such meeting shall be counted in the quorum.
- 25.3 Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- 25.4 Subject as provided in these presents, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company and if he shall do so his vote shall not be counted. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

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. A general notice to the Board given by Director to the effect that he is a member of a specified company or firm and is to be regarded as -interested at any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board Meeting after it is given.

Subject to the provisions of the Statutes and as provided in these presents, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- 25.4.1 The giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries.
- 25.4.2 The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security
- 25.4.3 Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof.
- 25.4.4 Any proposal. 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.
- 25.4.5 Any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with any person connected with him within the meaning of section 346 of the Act) is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company any such interest being deemed for the purposes of this Article to be a material interest in all circumstances).
- 25.4.6 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 or of any of its subsidiaries or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such arrangements relates .

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (C) (v) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the -entitlement of any Director to vote and such question is not resolved by him voluntarily agreeing to abstain from voting, 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 interests of the Director concerned has not been fairly disclosed.

Subject to the Statutes, 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.

- 25.5 The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors or Director may act for the purposes of filling up such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any "o members may summon a General Meeting for the purpose of appointing Directors.
- 25.6 The Directors may elect a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting neither be 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.
- 25.7 A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors.
- 25.8 The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to - that committee of persons other than Directors and for such co-opt ad members to have voting rights as members of the committee but so that (i) the number of co-opted members shall be less than one-half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.
- 25.9 The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these presents regulating the meetings and proceedings of the Directors so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.
- 25.10 All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons

dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote

## 26 BORROWING POWERS

26.1 Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge Its undertaking, property and uncalled capital, and 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 Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (as regards the subsidiary companies so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Group (exclusive of intra-Group borrowings) shall not at any time without the previous sanction of an Ordinary Resolution of the company in General Meeting exceed a sum equal to the greater of £50,000,000 or an amount equal to three times the aggregate of:

26.1.1 the nominal share capital of the Company for the time being issued and paid up; and

26.1.2 the amounts standing to the credit of the Consolidated Capital and Revenue Reserves (including Share Premium Account, Capital Redemption Reserve and Profit and Loss Account) of the Group;

as shown by the latest audited consolidated Balance Sheet of the Company including all of its subsidiary companies but after:

26.1.3 making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital, the Share Premium Account and the Capital Redemption Reserve of the Company since the date of its latest audited Balance Sheet;

26.1.4 except so far as provided for in such consolidated Balance Sheet:

(a) excluding therefrom (aa) any sums set aside for future and deferred taxation; and (bb) any amounts attributable to -outside Shareholders in - subsidiary companies;

(b) deducting therefrom (aa) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited Balance Sheet and which have been declared, recommended or made since that date; and (bb) any debit balances on Profit and Loss Account; and

26.1.5 making such adjustments as may be appropriate to reflect:

(a) any variation in the amount of such share capital and reserves which would result from any transaction for the purpose Of which this calculation is being made or any transaction to be carried out contemporaneously therewith and so that for this purpose if any

proposed allotment of shares for cash has been underwritten then, at any time when the underwriting of such shares shall be unconditional, such shares shall be deemed to have been allotted and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than four months after the - date of allotment) shall be deemed to have been paid up to the extent that the underwriters are liable therefor; and

- (b) any variation in the amounts attributable to the interest of the Company in the share capital of any subsidiary.

26.1.6 For the purposes of this Article **Borrowings** shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:

- (a) The nominal amount of any issued share capital and the principal amount of any debentures or borrowed monies, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, not being acceptances of trade bills for the purchase of goods in the ordinary course of business;
- (b) The outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any members the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business;
- (c) The principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group;
- (d) The principal amount of any Preference Share capital of any subsidiary owned otherwise than by a member of the Group; and
- (e) Any premium payable on repayment on any borrowing or deemed borrowing;

but shall be deemed not to include:

- (f) Borrowings for the purpose of repaying the whole or any part of borrowing by a member of the Group for the time being outstanding and so to be applied within 6 months of being so borrowed, pending such application for such purpose within such period; and
- (g) Borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the export credits guarantee department of the Department of Trade and Industry 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.

A report by the Auditors for the - time being of the Company as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (B)

of this Article be owing by the Group without such sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company.

No person dealing with the Company shall by reason of the foregoing be concerned to see or enquire whether the limit hereby imposed is observed and no debt incurred or security given in respect of monies borrowed in excess of -the limit hereby imposed shall be invalid or ineffectual except in the case of express notice having been given, at the time when the debt was incurred or security given, that the limit hereby imposed had been or would thereby be exceeded.

## **27 GENERAL POWERS OF DIRECTORS**

- 27.1 The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Statutes and -to such regulations, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation 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 Directors by any other Article.
- 27.2 The Directors may establish any local, group or divisional boards, agencies or committees 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, group or divisional boards, agencies or committees or any managers or agents, and may fix their remuneration and may delegate to any local, group or divisional board, agency or committee, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think I it, and the Directors -may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 27.3 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, 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 Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 27.4 The Directors may from time to time appoint any person to any office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment with the Company shall not imply that the holder thereof is a Director of the Company nor shall- such holder thereby be empowered in any respect to act as a

Director of the company or be deemed to be a Director for any of the purposes of these presents.

- 27.5 The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependents of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons as are herein before referred to or any of them or any case of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).
- 27.6 Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.
- 27.7 All cheques promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts of moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## **PART V - RESERVES, INVESTMENT OF MONEYS, DIVIDENDS AND CAPITALISATION OF PROFITS**

### **28 RESERVES**

The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

### **29 DIVIDENDS**

- 29.1 subject to the Statutes, the Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.
- 29.2 In so far as, in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any - class of such amounts and on such dates and in respect of such periods as they think fit.
- 29.3 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of

the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

- 29.4 No dividend or other moneys payable on or in respect of a share bear interest as against the Company.
- 29.5 Subject to the provisions of the Statutes, where any asset, business or property is acquired by the Company as from a past date the profits and losses arising therefrom as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- 29.6 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares herein before contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- 29.7 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the holder thereof (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 29.8 The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and 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.
- 29.9 The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 29.10 subject to approval by the Company at any annual general meeting the Directors may, in respect of any dividend declared or proposed to be declared at that annual general meeting or at any time prior to the next following annual general meeting (and provided that an adequate number of unissued ordinary shares are available for the purpose), determine and announce, prior to or contemporaneously with their announcement of the dividend in question and any related information as to the Company's profits for such financial period or part thereof, that ordinary shareholders will be entitled to elect to

receive in lieu of such dividend (or part thereof) an allotment of additional ordinary shares credited as fully paid. In any such case the following provisions shall apply:

- 29.10.1 The basis of allotment shall be determined by the directors so that, as nearly as may be considered convenient, the value (calculated by reference to the average quotation) of the additional ordinary shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount. For such purpose the 'average - quotation' of an ordinary share shall be the average of the middle market quotations on The International Stock Exchange of the United' Kingdom and the Republic of Ireland Limited as shown in the Daily Official List, on each of the first five business days on which the ordinary shares are quoted ex the relevant dividend.
- 29.10.2 The Directors shall give notice in writing to the ordinary shareholders of the right of election accorded to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which the latest date and time by which duly completed forms of election must be lodged in order to be effective.
- 29.10.3 The dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on ordinary shares in respect whereof the share election has been duly exercised (the **elected ordinary shares**), and in lieu thereof additional shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve fund) or profit and loss account of the Company as the directors may determine a sum equal to the aggregate nominal amount of additional ordinary shares to be allotted on such 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 holders of the elected ordinary shares on such basis.
- 29.10.4 The additional ordinary shares so allotted shall rank *par passu* in all respects with the fully paid ordinary shares then in issue save only as regards participation in the relevant dividend (or share election in lieu).
- 29.10.5 The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- 29.10.6 The Directors may on any occasion determine that rights of election shall not be made available to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

- 29.11 Any dividend or other moneys payable in cash on or 'in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such member or person or persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to have the money represented thereby.
- 29.12 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.
- 29.13 Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

### **30 CAPITALISATION OF PROFITS**

- 30.1 The Company may, upon the recommendation of the Directors, 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 the 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 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 may be applied only in the paying up of unissued shares to be allotted to such members credited as fully paid.

The Company may, upon the recommendation of the Directors, 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 Directors shall give effect to such resolution.

- 30.2 Where any difficulty arises in regard to any distribution under the last preceding Article the Directors may settle the same as they think 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 Directors. The Directors 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.

## **PART VI - GENERAL**

### **31 SECRETARY**

- 31.1 The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they think fit one or more Assistant Secretaries.
- 31.2 A provision of the Statutes or these presents requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by it being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

### **32 THE SEAL**

- 32.1 the Directors shall provide for the safe custody of the Seal and the Securities Seal (if any) and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

Every instrument to which the seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates for shares or debentures or other securities of the company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signatures;

The securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

- 32.2 The, Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

### **33 AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and if any books; records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the

custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minute or extract is a true and accurate record of proceedings at a duly constituted meeting.

### **34 ACCOUNTS**

34.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the company except as conferred by statute or as ordered by a court of competent jurisdiction or as authorised by the Directors or the company in general meeting.

Save as may be necessary for complying with the provisions of the Statutes or as the Company may by Extraordinary Resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the company nor to give any information with reference to the same to any member.

34.2 A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these presents. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the shares or debentures of the company shall for the time being be listed on The Stock Exchange, there shall be forwarded to the appropriate officer of The Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

### **35 AUDITORS**

35.1 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall as regards all persons dealing in good faith with the Company be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

35.2 An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

### **36 NOTICES**

- 36.1 Any notice or 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 cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 36.2 Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice' to all the joint holders in their capacity as such. For such purposes a joint holder having no registered address in the United Kingdom and not having supplied an address in the United Kingdom for the service of notices shall be disregarded.
- 36.3 A person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or by operation of law or any other event, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to 'the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, 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. Save as aforesaid any notice 'or document delivered or sent by post to or left at the address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation<sup>4</sup> and whether or not the Company have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.
- 36.4 A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
- 36.5 If at any time by reason of the total suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the date the notice was to have been so sent in at least two leading daily newspapers (at least one of which shall be a London newspaper) and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. En any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 36.6 Nothing in any of the preceding five Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

- 36.7 Every person who by operation of law, transfer or other means shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly given to the person from whom he derives his title to such share other than notice given under Article 71. or under the provisions of Section 212 of the Act.

### **37 MINUTES**

- 37.1 The Directors shall cause minutes to be made of the following matters, namely:
- 37.1.1 of all appointments of officers, and Committees made by the Directors, and of their salary or remuneration;
  - 37.1.2 of the names of Directors present at every meeting of the Board or of Committees of Directors, and all business transacted at such meetings; and
  - 37.1.3 of all orders, resolutions and proceedings of all General Meetings and of the Directors and Committees of Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be receivable as prima fade evidence of the matters stated in such minutes without any further proof.

- 37.2 The Company shall keep and make available for inspection:
- 37.2.1 as required by Section 318 of the Act copies and/or memoranda of the Directors' service contracts;
  - 37.2.2 as required by Section 325 of the Act a register of the Directors' interests in shares or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary of the Company's holding company, which register shall be produced and remain open at each Annual General Meeting;
  - 37.2.3 all such registers and reports as the Company is required to keep under Part VI of the Act; and
  - 37.2.4 as required by Section 401 of the Act a register of all mortgages and charges affecting the property of the Company.

### **38 UNTRACED MEMBERS**

- 38.1 The Company shall be entitled to sell (in such manner and for such price as the Directors think fit) the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that the following conditions are satisfied:
- 38.1.1 for a period of twelve years, being a period during which at least 3 dividends in respect of the shares in question have become payable, no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share stock or debenture or loan stock at his address on the Register or other the last known address givers by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission; and

- 38.1.2 the Company has at the expiration of the said period of twelve years given notice by advertisement in two national daily newspapers of its intention to sell such share, stock or debenture or loan stock; and
- 38.1.3 the Company has not during the further period of three months following the publication of the said advertisements or following the later publication if the two advertisements are published on different dates and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
- 38.1.4 the Company has given notice in writing to the Quotations Department of The Stock Exchange of its intention to sell such share, stock or debenture or loan stock.

To give effect to any such sale the Company 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 and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may 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 Directors may from time to time think fit.

## **39 WINDING-UP**

- 39.1 The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
- 39.2 If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of an Extraordinary Resolution and subject to any provision sanctioned in accordance with the provisions of the Act, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such a value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. The Liquidator may make any provision referred to in, and sanctioned in accordance with, the provisions of Section 719 of the Act.
- 39.3 The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

39.4 If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the shares held by them respectively and, if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. But this Article is to be subject to the rights attached to any shares which may be issued on special terms or conditions.

#### **40 INDEMNITY**

Subject to the provisions of and so far as may be permitted by the Statutes,, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings otherwise disposed of without any finding or emission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted by the court.