

Company No: 1277785

THE COMPANIES ACT 1985 (as amended)  
PUBLIC COMPANY LIMITED BY SHARES

**MEMORANDUM AND ARTICLES OF  
ASSOCIATION  
of  
AIRSPRUNG FURNITURE GROUP PLC**

Incorporated 17 September 1976

OSBORNE CLARKE 30 Queen Charlotte Street Bristol BS99 7QQ

THE COMPANIES ACT 1985 (as amended)  
PUBLIC COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
of  
AIRSPRUNG FURNITURE GROUP PLC

- 1\*. The name of the Company is “AIRSPRUNG FURNITURE GROUP PLC”
- 2\*. The Company is to be a public company.
- 3\*. The Registered Office of the Company will be situated in England and Wales.
4. The objects for which the Company is established are:
- (A\*\*) (i) To act or carry on business as a holding company and to control and co-ordinate the administration and operation of any companies for the time being directly or indirectly controlled by the Company.
- (ii) To acquire the whole of the issued share capital of Airsprung (Europe) Limited.
- (iii) To carry on any business which a subsidiary company of the Company has power to carry on.
- (iv) To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
- (B) To carry on any business, undertaking, transaction or operation commonly carried on or undertaken by manufacturers, merchants and dealers (both wholesale and retail) in all or any articles of commercial and personal use and consumption, importers, exporters, shipowners, bankers, factors, capitalists, promoters, financiers, real property dealers and investors, concessionaires, brokers, contractors, mercantile and general agents, advertising agents, publishers, carriers and transporters of all kinds and to carry on all or any of the said businesses either together as one business or as separate distinct businesses in any part of the world.
- (C) To acquire and assume for any estate or interest and to take options over, construct develop or exploit any property, real or personal, and rights of any kind and the whole

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NOTES

- \* The name of the Company was changed to Airsprung Group Limited on 23 September, 1976. Pursuant to a Resolution of the Directors passed on 17 December, 1981, the Company was re-registered as a public company on 5 March, 1982 and thereupon the name of the Company became Airsprung Group P.L.C. and the Memorandum of Association was amended by inserting this new Clause 2, altering the then existing Clause 2 and renumbering it as Clause 3 and renumbering the remaining clauses accordingly. The name of the Company was further changed to Airsprung Furniture Group PLC on 14 August, 1990.
- \*\* This Clause 4(A) was adopted by Special Resolution passed on 25 October, 1976.

or any part of the undertaking, assets and liabilities of any person and to act and carry on business as a holding company.

- (D) To manufacture, process, import, export, deal in and store any goods and other things and to carry on the business of manufacturers, processors, importers, exporters and storers of and dealers in any goods and other things.
- (E) To acquire and exploit lands, mines and mineral rights and to acquire, explore for and exploit any natural resources and to carry on any business involving the ownership or possession of land of other immovable property or buildings or structures thereon and to construct, erect, install, enlarge, alter and maintain buildings, plant and machinery and to carry on business as builders, contractors and engineers.
- (F) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind.
- (G) To advertise, market and sell the products of the Company and of any other person and to carry on the business of advertisers or advertising agents or of a marketing and selling organisation or of a supplier, wholesaler, retailer, merchant or dealer of any kind.
- (H) To provide technical, cultural, artistic, educational, entertainment or business material, facilities or services and to carry on any business involving any such provision.
- (I) To lend money, and grant or provide credit and financial accommodation, to any person and to carry on the business of a banking, finance or insurance company.
- (J) To invest money of the Company in any investments and to hold, sell or otherwise deal with such investments, and to carry on the business of a property or investment company.
- (K) To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
- (L) To enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out exercise and comply with the same.
- (M) To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.
- (N) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums interest dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which

is for the time being a subsidiary or a holding company of the Company or other subsidiary of a holding company of the Company or otherwise associated with the Company.

- (O) To amalgamate or enter into partnership or any profit-sharing arrangement with, and to co-operate or participate in any way with, and assist or subsidise any person.
- (P) To accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.
- (Q) To apply for and take out, purchase or otherwise acquire any trade and service marks and names, designs, patents, patent rights, inventions and secret processes and to carry on the business of an inventor, designer or research organisation.
- (R) To sell, exchange, mortgage, charge, let on rent, share in profit, royalty or otherwise, grant licences, easements, options servitude and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities.
- (S) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (T) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of any securities of the Company or in or about the formation of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of company, fund, trust or business promoters or managers and of underwriters or dealers in securities, and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustee of any kind and to undertake and execute any trust.
- (U) To pay all the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and incorporation of the Company, and to procure the registration or incorporation of the Company in or under the laws of any place outside England.
- (V) To grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or who the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for

any national, charitable, benevolent, educational, social, public, general or useful object.

- (W) To cease carrying on or wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
- (X) To distribute any of the property of the Company among its creditors and Members in specie or kind.
- (Y) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (Z) To carry on any other business or activity and do anything of any nature which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking property or assets or otherwise to advance the interests of the Company or of its Members.
- (AA) To do all such other things as in the opinion of the Company are or may be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that "company" in this clause, except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or interference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

- 5. The liability of the Members is limited.
- 6\*. The share capital of the Company is £7 divided into 7 Shares of £1 each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

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#### NOTES

- 1. By Special Resolution passed on 25 October, 1976, inter alia,
  - (i) each of the 7 Shares of £1 each in the capital of the Company were sub-divided into 10 Shares of 10p each and the Shares arising on such sub-divisions were re-designated Ordinary Shares of the Company;
  - (ii) the authorised Share Capital of the Company was increased to £650,000 by the creation of an additional 6,499,930 Ordinary Shares of 10p each.

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## NOTES

2. By Ordinary Resolution passed on 4 May, 1979, the authorised share capital of the Company was increased to £800,000 by the creation of an additional 1,500,000 Ordinary Shares of 10p each.
3. By Special Resolution passed on 20 July, 1988 the authorised share capital of the Company was increased to £1,000,000 by the creation of an additional 2,000,000 Ordinary Shares of 10p each.
4. By Special Resolution passed on 16 August, 1988 the authorised share capital of the Company was increased to £4,000,000 by the creation of 3,000,000 Cumulative Redeemable Preference Shares of £1 each.
5. By Ordinary Resolution passed on 18 July 1991 the authorised share capital of the Company was increased to £4,500,000 by the creation of 5,000,000 Ordinary Shares of 10p each.
6. By Ordinary Resolution passed on 21 July 1993 authorised share capital of the Company was increased to £6,200,000 by the creation of 15,000,000 Ordinary Shares of 10p each.

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

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Names, Addresses and Description of Subscribers	Number of Shares taken by each Subscriber
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For and on behalf of TRUCIDATOR NOMINEES LIMITED 35 Basinghall Street, London, EC2V 5DB	
T G M BUCKLEY, Director	One
For and on behalf of TREXCO LIMITED, 35 Basinghall Street, London, EC2V 5DB	
R C HARVEY, Director	One

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DATED the 31 August, 1976 WITNESS to the above Signatures:

S LYSTER  
35 Basinghall Street, London, EC2V 5DB

Solicitor's Articled Clerk

THE COMPANIES ACT 1985 (as amended)  
PUBLIC COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION \*  
of  
AIRSPRUNG FURNITURE GROUP PLC

**PRELIMINARY**

1. The regulations in Table A in the Companies (Tables A-F) Regulations 1985 shall not apply to the Company.
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”	the Companies Act 1985;
“the Statutes”	the Act and every other Act for the time being in force concerning companies and affecting the Company;
“Office”	the registered office of the Company for the time being;
“group”	the Company and its subsidiaries;
“these presents”	these Articles of Association as from time to time altered by Special Resolution;
“Seal”	the Common Seal of the Company;
“Securities Seal”	an official seal kept by the Company pursuant to Section 2 of The Stock Exchange (Completion of Bargains) Act 1976;
“Stock Exchange Nominee”	a person for the time being designated pursuant to Section 7(2) of the Stock Exchange (Completion of Bargains) Act 1976;
“Transfer Office”	the place where the Register of Members is situate for the time being;
“United Kingdom”	Great Britain and Northern Ireland;
“month”	calendar month;
“year”	calendar year;
“in writing”	written or produced by any substitute for writing or partly one and partly another;

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\* These Articles were adopted on 5 June 1986 and amended by Special Resolutions passed on 16 August 1988, 26 July 1990 and 7 July 1995

“paid” paid or credited as paid;

“Auditors” the auditors for the time being of the Company.

The expressions “debenture” and “debenture holder” shall respectively include “debenture stock” and “debenture stockholder”.

The expression “corporation” shall include a corporation sole.

Any reference to any statutory provision or enactment shall include any statutory modification or re-enactment thereof.

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 of the Company and where two or more persons are appointed to act as joint secretaries shall include any one of those persons.

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.

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.

Subject as aforesaid, any words or expressions defined in the Acts shall (if not inconsistent with the subject or context) bear the meanings in these presents.

## **SHARE CAPITAL**

- \* 3. The share capital of the Company at the date of adoption of these Articles is £4,000,000 divided into 3,000,000 Cumulative Redeemable Preference Shares of £1 each (“Preference Shares”) and 10,000,000 Ordinary Shares of 10p each (“Ordinary Shares”).

The rights attaching to the Preference Shares shall be as follows:

### **(i) Income**

- (a) The Preference Shares shall confer on the holders thereof the right, in priority to any rights of the holders of any other class of shares for the time being in the capital of the Company, to receive a fixed cumulative preference dividend (“Preference Dividend”) at the rate of 10% per annum (such amount being net of advance corporation tax) on each share payable half yearly on 6 January and 6 July in each year out of the profits of the Company available for distribution. Such dividend shall be deemed to accrue on a daily basis. The first such dividend shall be payable on 6 January 1989 in respect of the period from the date of issue up to and including 6 January 1989.

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## NOTES

\* This clause 3 was adopted by Special Resolution passed on 16 August 1988. The authorised share capital was increased by an Ordinary Resolution dated 18 July 1991 increasing the authorised share capital to £4,500,000 by the creation of 5,000,000 new Ordinary Shares of 10p each, and an Ordinary Resolution dated 21 July 1993 increasing the authorised share capital to £6,000,000 by the creation of 15,000,000 new Ordinary Shares of 10p each.

- (b) No dividend shall be declared or paid on the Ordinary Shares in respect of any financial year of the Company if, at the date of such declaration or payment, there are any arrears or deficiency of the Preference Dividend.

**(ii) Capital**

On a return of capital on liquidation or otherwise (except on redemption or purchase by the Company of any of the Preference Shares) the assets of the Company available for distribution amongst the shareholders of the Company shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying to the holders of the Preference Shares a sum equal to the aggregate of:

- (a) first, the subscription price per Preference Share;
- (b) secondly, a sum equal to any arrears deficiency or accruals of the Preference Dividend calculated down to the date of the return of capital and payable irrespective of whether such dividend has been declared or earned; and
- (c) thirdly, an amount by way of premium which shall be the greater of:
- (i) ten pence; and
- (ii) the excess (if any) of the Market Value of such share over the nominal amount paid up or credited as paid up thereon.

For the purpose of this Article 3(ii) "Market Value" means (if the Preference Shares have been listed in the Stock Exchange Daily Official List throughout the six months immediately preceding the Relevant Date) a sum equal to the average of the daily middle market quotations of the Preference Shares in The Stock Exchange Daily Official List during the aforesaid six months after deducting from the quotation on each day an amount equivalent to any arrears or deficiency of the fixed dividend thereon (whether earned or declared or not) down to that day. If the Preference Shares have not been so listed in The Stock Exchange Daily Official List, "Market Value" means a sum determined by the application of the formula:

$$V = \frac{APD}{Y}$$

where V is the Market Value;

A is the yield of shares comprised in the FT Actuaries Index of preference shares on the Relevant Date as published in the Financial Times, or in the event of the FT Actuaries Index not being published, such other index as shall be approved or prepared for this purpose by the Auditors of the Company, divided by the yield on the Preference Shares;

P is the amount per share paid up or credited as paid up;

D is the percentage annual rate of dividend on the Preference Shares, grossed up to include the associated tax credit; and

Y is the average yield during the six months immediately preceding the Relevant Date of shares comprised in the FT Actuaries Index of Preference Shares published in the Financial Times, or in the event of the FT Actuaries Index not being published, such other index as shall be approved or prepared for this purpose by the Auditors of the Company

For the purpose of this Article 3(ii) "Relevant Date" means (in the case of a compulsory

winding up) the commencement of the winding up or (in the case of a voluntary winding up or reduction of capital) the date thirty days before the despatch of the notice convening the meeting to consider the winding up or reduction of capital. In the event of a reduction of capital involving the repayment of only part of the capital paid up or credited as paid up on each Preference Share, a proportionate part only of any premium as prescribed in this paragraph will be payable.

The Preference Shares shall not confer upon the holders thereof any further right of participation in the profits or assets of the Company.

**(iii) Redemption**

- (a) Subject to the provisions of these presents and the Statutes within three months after 15th August, 2008 the Company shall redeem any Preference Shares by not less than 14 days written notice of such redemption.
- (b) Any notice of redemption shall specify the particular shares to be redeemed, the date fixed for redemption and the place at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the Preference Share concerned shall be bound to deliver to the Company at such place the certificates for such of the Preference Shares concerned as are held by him (or an indemnity in lieu thereof in a form satisfactory to the Company) in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder (or, in the case of joint holders, to the holder whose name stands first in the Register in respect of such shares) the amount due to him in respect of such redemption.
- (c) There shall be paid on each share redeemed the sum of £1.00 together with a sum equal to any arrears deficiency or accruals of the Preference Dividend to be calculated down to and including the date fixed for redemption and to be payable whether or not such dividend has been declared or earned.
- (d) As from the date fixed for redemption of any Preference Shares, dividends shall cease to accrue thereon unless upon the presentation of the certificate relating thereto payment of the moneys due to such redemption shall be refused in which case the Preference Dividend shall be deemed to have continued and shall continue to accrue from the date fixed for redemption to the date of payment.
- (e) If any holder of Preference Shares whose shares are liable to be redeemed under this paragraph shall fail or refuse to deliver up the certificate for his shares the Company may retain the redemption moneys until delivery up of the certificate or of an indemnity in respect of the certificate satisfactory to the Company and shall within 7 days thereafter pay (by cheque despatched at the holder's risk) the redemption moneys to the shareholder. No holder of Preference Shares shall have any claim against the Company for interest on any redemption moneys so retained.

**(iv) Voting**

While the Preference Shares shall entitle the holders to receive notice of and to attend all General Meetings of the Company, they shall not entitle the holders to vote thereat unless the Company shall not have paid the Preference Dividend on a due date for payment or shall have failed to make payment of the redemption moneys due on a redemption of the Preference Shares or if a resolution is to be considered at the Meeting for the winding-up of the Company when the holders of Preference Shares shall be entitled to receive notice of, to attend and until payment or redemption to vote at any General Meeting of the Company and on a show of hands each holder of Preference Shares present in person or by proxy shall have one vote and on a poll shall have one vote for every Preference Share of which he is a holder.

**(v) Matters requiring Separate Class Consent**

So long as any Preference Shares shall remain outstanding and except with such consent or sanction on the part of the holders of the Preference Shares as a class as is required for the variation or abrogation of the special rights attached to such shares, the Company shall not:

- (a) issue any further shares ranking as regards participation in the profits or assets of the Company or as to the date of redemption in priority to the Preference Shares; or
- (b) issue any further shares ranking *pari passu* with the Preference Shares; or
- (c) pass a resolution:
  - (i) to effect a reduction in the issued capital of the Company; or
  - (ii) to increase the limit on the Directors' borrowing powers set out in Article 102 of the Company's Articles of Association, or to alter in any way the provisions of the Articles of Association relating to the Directors' borrowing powers; or
- (d) purchase any of its own shares unless immediately after such purchase the aggregate amount paid up or credited as paid up including the aggregate of any premium paid or credited as paid on all the Preference Shares then in issue would not exceed an amount equal to 25 per cent of the Adjusted Capital and Reserves (as defined in Article 102 of the Company's Articles of Association).

**VARIATION OF RIGHTS**

- 4. 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 not less than three-fourths in nominal value of the issued shares of the class or with the sanction of any 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 holders 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 of 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.
- 5. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of 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.

**CONVERSION OF SHARES INTO STOCK**

- 6. The Company may by Ordinary Resolution convert any paid up shares into stock and reconvert any stock into paid-up shares of any denomination.

7. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
8. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
9. Such of these presents as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder".

### **ALTERATION OF SHARE CAPITAL**

10. 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.
11. (A) The Company may by Ordinary Resolution:
  - (1) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
  - (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;
  - (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.
- (B) 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. Provided that the necessary unissued shares are available, the directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid up by way of capitalisation of reserves (and without the sanction in Article 128) the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected

immediately prior to consolidation); and the amount required to pay up such shares shall be appropriated at the discretion of the directors from any of the sums standing to the credit of any of the Company's reserve accounts (including without limitation the share premium account and capital redemption reserve fund) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

12. (A) The Company may by Special Resolution reduce or cancel its share capital or any capital redemption reserve fund or share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.
- (B) Subject to compliance with the provisions of the Statutes, the Company may purchase its own shares.

## **SHARES**

13. 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.
14. Subject to Articles 4 and 5 and 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, and subject to the provisions of the Statutes the Company may issue shares which are, or at the option of the Company or of the holder thereof, are to be liable to be, redeemable.
15. 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 the 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 and on such terms as they think proper.
16. 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.
17. Subject to the provisions of the Statutes and of 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 thereof, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share the right to effect such renunciation upon and subject to such terms and conditions as the directors may think fit to impose.

## **SHARE CERTIFICATES**

18. 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 Stock Exchange Nominee.

19. 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 of two or more joint holders shall be sufficient delivery to all.
20. Subject to the provisions of these presents, any person (excluding a Stock Exchange Nominee to whom no certificate is to be issued pursuant to Article 18) 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 of fully-paid shares) within twenty eight days after lodgment of transfer or (in the case of a transfer of partly-paid shares) within two months after lodgment of transfer.
21. 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 shall be issued in lieu without charge.
22.
  - (A) 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.
  - (B) 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 request.
  - (C) 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 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 any exceptional out-of-pocket expenses of the Company in connection with the request as the directors may think fit.
  - (D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

## **CALLS ON SHARES**

23. The directors may from time to time make calls upon the members in respect of any money 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 the 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 instalments.
24. 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.
25. 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 25 per cent per annum) as the directors determine, but the directors may waive payment of such interest wholly or in part.

26. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at the 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 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.
27. 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.
28. The directors may, if they think fit, receive from any member in advance 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 15 per cent per annum) as the member paying such sum and the directors agree upon.

#### **FORFEITURE AND LIEN**

29. If a member fails to pay in full any call or instalment 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 instalment 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.
30. 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.
31. 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, 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.
32. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of to any person upon such terms and in such manner as the directors shall think fit; and at any time before 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.
33. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the 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 25 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.

34. The Company shall have a first and paramount lien on every share (not being fully paid) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. Subject to the provisions of the Statutes, the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member, or of his estate, and any other person, whether a member of the Company or not. 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.
35. The Company may sell in such manner as the directors think fit any share on which the Company has a lien, but no such sale shall be made unless some sum in respect of which the lien exists is presently payable nor until expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default 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.
36. 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.
37. 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.

## **TRANSFER OF SHARES**

38. 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 executed under hand. 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.
39. 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.

40. 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, 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.
41. (A) The directors may decline to recognise any instrument of transfer unless it 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 Stock Exchange Nominee, the lodgment of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question.
- (B) All instruments of transfer which are registered may be retained by the Company.
42. No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate or letters of administration, certificates of marriage or death, stop notice, 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.
43. (A) The Company shall be entitled to destroy the following documents at the following times:
- (1) registered instruments of transfer: at any time after the expiration of six years from the date of registration thereof;
  - (2) allotment letters: at any time after expiration of six years from the date of issue thereof;
  - (3) dividend mandates and notifications of change of address: at any time after the expiration of two years from the date of recording thereof;
  - (4) cancelled share certificates: at any time after the expiration of one year from the date of the cancellation thereof.
- (B) It shall be conclusively presumed in favour of the Company:
- (1) that every entry in the Register purporting to be made on the basis of any such document so destroyed was duly and properly made.
  - (2) that every such document so destroyed was valid and effective and had been duly and properly registered, cancelled, or recorded, as the case may be, in the books or records of the Company.
- (C) 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.
- (D) 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 other circumstances, which would not attach to the Company in the absence of this Article.

- (E) References in this Article to the destruction of any document include the disposal thereof in any manner.

## **TRANSMISSION OF SHARES**

44. 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.
45. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law 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 holder of the share upon giving to the Company notice in writing of his desire to be so registered or transfer such share to some other person. All the 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 was a transfer executed by such member.
46. 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 by operation of law (upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share) shall 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, save 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.

## **GENERAL MEETINGS**

47. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the directors. All other General Meetings shall be called Extraordinary General Meetings.
48. The directors may convene an Extraordinary General Meeting whenever they think fit, and shall do so on requisition in accordance with the Statutes.

## **NOTICE OF GENERAL MEETINGS**

49. 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 at least twenty-one days' notice in writing and any other General Meeting by at least fourteen days' notice in writing. 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 notice shall be given to all members entitled to receive such notices from the Company: Provided that a General Meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:

- (A) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
- (B) in the case of 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 and the giving of notice to any person not entitled thereto shall not invalidate any General Meeting or any proceedings thereat.

50. (A) Every notice calling a General Meeting shall specify the place, the date and the time 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.
- (B) The notice of an Annual General Meeting shall also specify the meeting as such.
- (C) The notice of any General Meeting at which business other than routine business (as defined in Article 51) is to be transacted, 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.
51. Routine business shall mean and include only business transacted at any Annual General Meeting of the following classes, that is to say:
- (i) declaring dividends;
  - (ii) receiving and adopting the accounts, the reports of the directors and Auditors and other documents required to be attached or annexed to the accounts;
  - (iii) appointing or re-appointing directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
  - (iv) re-appointing the retiring Auditors (other than Auditors last appointed otherwise than by the Company in General Meeting); and
  - (v) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

## **PROCEEDINGS AT GENERAL MEETINGS**

52. 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 and willing to act within fifteen minutes after the time appointed for holding the meeting, the directors present shall choose one of their number (or, if no director be present or if all the directors decline to take the chair, the members present shall choose one of their number), to be chairman of the meeting.
53. No business other than the appointment of a chairman of the meeting 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 form a quorum for all purposes.
54. If within fifteen minutes 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 case of such a determination, not less than seven days' notice of the adjourned meeting shall be given in like manner as that of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum.

55. 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 place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. 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 manner as in the case of the original meeting.
56. Save as hereinbefore 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.
57. 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 any 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.
58. 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:
  - (i) the chairman of the meeting; or
  - (ii) not less than three members present in person or by proxy and entitled to vote at the meeting; or
  - (iii) a member or members 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
  - (iv) a member or members present in person or by proxy and holding shares 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.
59. (A) 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 on 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 a 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.

- (B) 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.
  - (C) 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.
60. 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 second or casting vote.

## **VOTES OF MEMBERS**

61. 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, whenever any resolution or proposal is put to the vote, 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 10p of nominal capital of which he is the holder.
62. 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 same.
63. 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 ground (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.
64. 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 or if he or any person appearing to be interested in shares held by him has been duly served with a notice under Section 212 of the Act and is in default in supplying to the Company information thereby required within 28 days thereafter. For the purposes of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.
65. 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.
66. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

67. A proxy need not be a member of the Company.
68. 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:
- (i) in the case of an individual, shall be signed by the appointor or by his attorney; and
  - (ii) 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.

69. 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 for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
70. An instrument appointing a proxy shall be deemed to include the right to demand or join 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.
71. 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 three hours 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.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

72. Any corporation which is a member of the Company may, by resolution of its directors or other governing body or, in the case of a corporation sole, by authority given under seal or under the hand of an officer duly authorised by it, 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.
73. The person so authorised as aforesaid 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.

## **DIRECTORS**

74. Subject as hereinafter provided, the directors shall not be less than four in number nor more than twelve in number. The Company may, by Ordinary Resolution, from time to time vary the minimum and/or maximum numbers.
75. A director shall not be required to hold any shares of the Company by way of qualification. A director who is not a member of the Company shall be entitled to attend and speak (but not to vote) at General Meetings.
76. Each director shall be entitled to receive remuneration by way of fee for his services as such at such rate, not exceeding £6000 per annum, as the directors may from time to time determine and such remuneration shall accrue from day to day. The Company in General Meeting may increase the amount of the aforesaid maximum remuneration to the directors either permanently or for a year or longer term.
77. 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.
78. The directors may cause the Company to repay to any director all such reasonable expenses as he may incur in attending and returning from meetings of the directors or of any committee of the directors or General Meetings or otherwise in or about the business of the Company.
79. The directors may cause the Company to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director, and to contribute to any scheme or fund or to pay premiums for the purpose of providing any such pensions or such other benefits.
80. Subject to the provisions of these presents, a director may be a party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor, and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.
81. The directors may from time to time appoint one or more of their body to be the holder of any executive office (including the office of Chairman or Deputy Chairman) on such terms and (subject to the Statutes) for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
82. 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.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

83. (A) The office of a director shall be vacated in any of the following events, namely:
- (i) if he shall become prohibited by law from acting as a director;
  - (ii) 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;
  - (iii) if he shall have a receiving order made against him or, in Scotland, his estate sequestrated, or shall compound with his creditors generally;
  - (iv) 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 of his becoming a patient under the Mental Health Act 1959 for his detention or for the appointment of a guardian or a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
  - (v) if he shall, for more than six months, have been absent without permission of the directors from meetings of the directors held during that period without effectually appointing an alternate director pursuant to Article 91 to attend in his place;
  - (vi) if he shall be removed from office by an Ordinary Resolution of the Company in accordance with Article 89.
- (B) Section 293 of the Act shall have no application to any director.
84. (A) At every Annual General Meeting one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one director who is subject to retirement by rotation, he shall retire.
- (B) Subject to the provisions of the Act, 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 appointment or re-appointment, but as between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A director who retires (whether by rotation or otherwise) shall be eligible for re-election and may, if willing to act, be re-appointed. The directors to retire on each occasion (both as to numbers and identity) shall be determined by the composition of the directors at the date of notice convening the Annual General Meeting and no director shall be required to retire or be relieved from retiring or be retired by reason of any changes in the number or identity of the directors or the appointment of him or any of them to be director after the date of the notice but before the close of the meeting.
85. A retiring director shall be eligible for re-election.
86. 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:

- (i) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost;
- (ii) where such director has given notice in writing to the Company that he is unwilling to be re-elected;
- (iii) where the default is due to the moving of a resolution in contravention of the next following Article; or
- (iv) where such director has attained any retiring age applicable to him as a director.

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.

87. 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 the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
88. 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 a 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.
89. 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. Any person so appointed, shall be treated for the purpose of determining the time at which he or any other director is to retire 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.
90. The Company may by Ordinary Resolution appoint any person to be a director either to fill a casual vacancy or as an additional director. In addition, the directors shall 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.

#### **ALTERNATE DIRECTORS**

91. (A) 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 and only for such maximum number of meetings or period of time (if any) as the directors may prescribe.

- (B) 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 the director who has appointed the alternate ceases to be a director.
- (C) 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, his voting rights shall be cumulative. 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 such 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.
- (D) 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 in respect of his appointment as alternate director any remuneration, 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.

## **MEETINGS AND PROCEEDINGS OF DIRECTORS**

- 92. 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. 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.
- 93. 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 three. 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.
- 94. Questions arising at any meeting of the directors shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- 95. (A) 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 interest in shares or debentures

or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (B) Subject to the provisions of the Statutes, a director shall (in the absence of any material interest other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any security 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 security;
  - (iii) 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;
  - (iv) 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 purpose of this Article to be a material interest in all circumstances);
  - (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or any employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.
- (C) 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 (B) (iv) 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.
- (D) 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.
- (E) 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.

96. The continuing directors may act notwithstanding any vacancies in their number; 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 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 two members may summon a General Meeting for the purpose of appointing directors.
97. (A) 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 of the directors neither be present within fifteen minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
- (B) If at any time there is more than one Deputy Chairman, the right in the absence of the Chairman to preside at a meeting of the directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the directors.
98. 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.
99. 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 delegated to it, 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 the committee of persons other than directors and for such co-opted 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.
100. 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.
101. 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 such 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.

## **BORROWING POWERS**

102. (A) 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.

- (B) The directors shall restrict the borrowing 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 (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the group, and for the time being owing to persons outside the group, shall not at any time, without the previous sanction of an Ordinary Resolution of the Company, exceed an amount equal to the Adjusted Capital and Reserves.
- (C) In this Article the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:
- (i) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
  - (ii) the amount standing to the credit of the capital and revenue reserves of the group (including without limitation any share premium account or capital redemption reserve fund) after adding thereto or deducting therefrom any balance outstanding to the credit or debit of the profit and loss account of the group;

all based on the then latest audited consolidated balance sheet of the group and after:

- (a) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such capital and revenue reserves subsequent to the relevant balance sheet date; and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (b) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (c) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (d) making such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, as would be appropriate if such transaction had been carried into effect; and
- (e) excluding minority interests in subsidiaries;

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned, and for the purposes of their computation, the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of this Article, the directors may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence, the limit hereinbefore contained is inadvertently exceeded, an amount of borrowed moneys equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the directors become aware that such a situation has or may have arisen.

Save as otherwise provided in this Article, the latest audited consolidated balance sheet adopted as the main or principal balance sheet of the Company or any of its subsidiaries whether prepared on an historical cost basis or a current cost accounting basis or on any other generally accepted accounting principles shall be definitive for the purpose of establishing the Adjusted Capital and Reserves.

- (D) For the purpose of the foregoing limit, the following provisions shall apply:
- (i) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the group (to the extent that the same would not otherwise fall to be taken into account):
    - (a) the principal amount of all debentures of any member of the group which are not for the time being beneficially owned within the group;
    - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group;
    - (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the group;
    - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which are borrowed moneys, the indebtedness in respect of which, is for the time being beneficially owned within the group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the group;
    - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
  - (ii) moneys borrowed by any member of the group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
  - (iii) any amounts borrowed by any member of the group for the purpose of

financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;

- (iv) moneys borrowed by a partly-owned subsidiary and not owing to another member of the group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion; and moneys borrowed and owing to a partly-owned subsidiary by another member of the group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid, "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company;
  - (v) borrowed moneys of any member of the group expressed in, or calculated by reference to, a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the group, or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.
- (E) No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

#### **GENERAL POWERS OF DIRECTORS**

103. 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.
104. The directors may establish 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 thereof or as managers or agents, and may fix their remuneration and may delegate to any local, group or divisional board, agency or committee or manager or agent any of the powers, authorities and discretions vested in the directors, with power to sub-delegate, and may authorise the members of any local, group or divisional board, agency or committee, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the directors may think fit, and the directors may remove any person so appointed, and may annul or vary any such delegation. But no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
105. 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 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. 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.

106. 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.
107. All cheques, promissory notes, drafts, bill 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.

### **UNTRACED SHAREHOLDERS**

108. (A) The Company shall be entitled to sell at the best price reasonably obtainable 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:
- (i) during the period of 12 years prior to the date of the publication of the advertisement referred to in paragraph (ii) below (or, if published on different dates, the earlier thereof) all warrants and cheques in respect of the shares in question sent in the manner authorised by these presents have remained uncashed; and
  - (ii) the Company shall on expiry of the said period of 12 years have inserted advertisements, both in a leading London newspaper and in a newspaper circulating in the area of the address at which service of notices upon such member or other person may be effected in accordance with these presents, giving notice of its intention to sell the said shares; and
  - (iii) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall have received indication neither of the whereabouts nor of the existence of such member or person; and
  - (iv) notice shall have been given to The Stock Exchange in London of its intention to make such sale.
109. To give effect to any such sale as aforesaid the Company may appoint any person to execute as transferor an instrument of transfer of the said shares 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.

## **HONORARY PRESIDENTS**

110. The directors shall have power from time to time to appoint any one or more persons to be an Honorary President of the Company upon such terms and conditions as the directors may determine. An Honorary President shall not have any powers to act as a director nor shall he be deemed to be a director for the purposes of these presents.

## **SECRETARY**

111. 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, a deputy secretary or one or more Assistant Secretaries.

## **THE SEAL**

112. (A) 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.
- (B) 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 signature or either of them shall be dispensed with or affixed by some method or system of mechanical signature.
- (C) 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.
113. 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.

## **AUTHENTICATION OF DOCUMENTS**

114. Any director or the secretary or any person appointed by the directors for the purpose, shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the directors or any committee, 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. 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 minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **RESERVES**

115. 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.

## **DIVIDENDS**

116. The Company may by Ordinary Resolution declare dividends, but no such dividends shall exceed the amount recommended by the directors.
117. 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 period as they think fit.
118. 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.
119. No dividend shall be paid otherwise than out of profits available for the purpose under the provisions of the Statutes.
120. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
121. Subject to the provisions of the Statutes, where any asset, business or property is acquired by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses arising therefrom as from the 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.
122. (A) 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.
- (B) The directors may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
123. 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 of such share (or the person becoming entitled thereto 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 only if or to the extent that the same is accepted as such or acted upon by the Company.

124. 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.
125. 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. 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.
126. 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 the money represented thereby.
127. If two or more persons are registered as joint holders of any shares, 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.
128. 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.

## **CAPITALISATION OF PROFITS AND RESERVES**

129. The directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserves (including without limitation share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of shares on the Register of Members at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full, unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in the

proportion aforesaid. 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 for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof 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 any such capitalisation and matters incidental thereto, and any agreement made under such authority shall be effective and binding on all concerned.

## **ACCOUNTS**

130. 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 the Statutes or as ordered by a court of competent jurisdiction or as authorised by the directors.
131. 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 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.

## **AUDITORS**

132. 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.
133. An Auditor shall be entitled to attend any General Meeting and to receive all notices or any 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.

## **NOTICES**

134. 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 pre-paid 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 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.

135. 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 purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.
136. 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 or other such event 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, and whether or not the Company has 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.
137. 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.
138. If at any time by reason of the 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 same date in at least two leading daily newspapers (at least one of which shall be a national 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. In 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.
139. 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.

#### **WINDING-UP**

140. 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.
141. 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 Section 659 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 purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority and subject as aforesaid, 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 share 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 659 of the Act.

## **INDEMNITY**

142. Subject to the provisions of, and so far as may be permitted by, the Statutes, and, where relevant by any foreign laws, 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 or any other member of the group and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission 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. The directors shall have power to arrange for such insurance or other like cover (if any) as they may consider fit in respect of any liability, risk or exposure hereby imposed upon the Company.