

Company No. 26077

The Companies Acts 1862 to 1886

and

The Companies Act 1985

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**Private Company Limited by Shares**

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**ARTICLES OF ASSOCIATION**

of

**VALMONT UK HOLDINGS LIMITED**

*(Adopted by Special Resolution passed on [●], 2010)*

**PRELIMINARY**

1. The regulations contained in Table A in the First Schedule to the Companies Act 1862 shall not apply to the Company except so far as repeated or contained in these Articles.
2. In these Articles unless inconsistent with the subject or context
  - (a) The words in the first column of the table below bear the meanings set opposite to them respectively in the second column thereof:

WORDS	MEANINGS
The 1985 Act	The Companies Act 1985.
The Statutes	The 1985 Act together with every other statute for the time being in force concerning bodies corporate and affecting the Company.
The Auditors	The Auditors for the time being of the Company.
The Articles	The Articles of Association for the time being of the Company.
Clear Days	In relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is

	given or deemed to be given and the day for which it is given or on which it is to take effect.
The Common Seal	The common seal of the Company.
The Directors	The Directors for the time being of the Company.
Dividend	Dividend or bonus.
Executed	Any mode of execution of a document.
The Office	The registered office for the time being of the Company.
Paid Up	Paid up or credited as paid up.
The Register	The register of members to be kept pursuant to Section 352 of the 1985 Act.
The Securities Seal	The official seal of the Company permitted by Section 40 of the 1985 Act.
The Transfer Office	The place where for the time being the Register is kept.
The United Kingdom	Great Britain and Northern Ireland.
In Writing	Written, typewritten, printed, lithographed, photographed or visibly expressed in all or any of these or other modes of representing or reproducing words in a legible and non-transitory form.
Employees' Share Scheme	A scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of (i) the bona fide employees or former employees of the Company, the Company's subsidiary or holding company or a subsidiary of the Company's holding company, or (ii) the wives, husbands, widows, widowers or, if under the age of eighteen years, the children or step-children of such employees or former employees.
Equity Securities	Relevant Shares (other than Subscribers' Shares or bonus shares) or a right to subscribe for or to convert any securities into

Relevant Shares.

Relevant Employee Shares	Shares of the Company which would be Relevant Shares but for the fact that they are held by a person who acquired them in pursuance of an Employees' Share Scheme.
Relevant Securities	Shares in the Company other than Subscribers' Shares or shares allotted in pursuance of an Employees' Share Scheme, and any right to subscribe for or to convert any security into shares in the Company other than shares so allotted.
Relevant Shares	Shares in the Company other than (i) shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution, and (ii) shares which are held by a person who acquired them in pursuance of an Employees' Share Scheme or, in the case of shares which have not been allotted, are to be allotted in pursuance of such a scheme.
Subscribers' Shares	Shares shown in the Memorandum of Association of the Company to have been taken up by the subscribers thereto.

- (b) The expression "Secretary" means the Secretary for the time being and includes any other person appointed by the Directors to perform any of the duties of the Secretary
- (c) Words importing the singular include the plural, and vice versa
- (d) Words importing the masculine include the feminine, and vice versa
- (e) Words importing persons include corporations
- (f) References to the allotment of (i) Relevant Securities or (ii) Equity Securities include references to the grant of a right to subscribe for, or to convert any securities into, Relevant Securities or Relevant Shares, as the case may be, but subject to Section 80(6) of the 1985 Act shall not include references to the allotment of any shares pursuant to such a right
- (g) References to any statute (or to any provisions of any statute) shall be construed as references to any such statute (or to the provisions of any such statute) for the time being in force including any statutory modification or re-enactment thereof

- (h) Subject as aforesaid, words and expressions contained in these Articles bear the same meaning as in the Statutes but excluding any statutory modification thereof not in force at the date of the adoption of this Article.

### **LIABILITY OF MEMBERS**

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

### **BUSINESS**

4. Any branch or kind of business which these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors on behalf of the Company at such time or times as they shall think fit, and further, may be suffered by them to be in abeyance so long as the Directors may deem it expedient not to proceed with such branch or kind of business.

### **CAPITAL**

5. The authorised share capital of the Company at the date of the adoption of these Articles is £50,000,000, divided into 1,000,000 4.2 per cent. Cumulative First Preference Shares of £1 each (hereinafter called "the First Preference Shares"), 2,000,000 3.15 per cent. Cumulative Second Preference Shares of £1 each (hereinafter called "the Second Preference Shares"), and 188,000,000 Ordinary Shares of 25p each (hereinafter called "the Ordinary Shares"). The rights attached to the said respective classes of shares shall be as follows:

- (A) AS REGARDS INCOME – The profits which the Company may determine to distribute in respect of any financial year shall be applied:
- (i) first, in paying to the holders of the First Preference Shares a fixed cumulative preferential dividend at the rate of 4.2 per cent. per annum, exclusive of associated tax credit, on the amount paid up on the First Preference Shares held by them respectively and to be payable half-yearly on the 30<sup>th</sup> day of June and the 31<sup>st</sup> day of December in every year, and
  - (ii) next and subject thereto, in paying to the holders of the Second Preference Shares a fixed cumulative preferential dividend at the rate of 3.15 per cent. per annum, exclusive of associated tax credit, on the amounts paid up on the Second Preference Shares held by them respectively and to be payable half-yearly on the 30<sup>th</sup> day of June and the 31<sup>st</sup> day of December in every year, and
  - (iii) subject thereto the balance of the said profits shall be distributed amongst the holders of the Ordinary Shares rateably according to the amounts paid up on the Ordinary Shares held by them respectively.

(B) AS REGARDS CAPITAL – On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the members shall be applied as follows -

- (i) first, in repaying to the holders of the First Preference Shares the amounts paid up on such First Preference Shares held by them respectively together with a sum equal to any arrears or deficiency of the fixed cumulative dividend thereon calculated down to the date of the return of capital and to be payable irrespective of whether such dividend has been declared or earned or not, and
- (ii) next and subject thereto, in repaying to the holders of the Second Preference Shares the amounts paid up on such Second Preference Shares held by them respectively together with a sum equal to any arrears or deficiency of the fixed cumulative dividend thereon calculated down to the date of the return of capital and to be payable irrespective of whether such dividend has been declared or earned or not, and
- (iii) the balance of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares rateably according to the amounts paid up on such Ordinary Shares held by them respectively.

6. Without prejudice to any special rights for the time being conferred on the holders of any shares or class of shares (which special rights shall not be varied, except with such consent or sanction as it provided by the next following Article) any share in the Company may be allotted with such preferred, deferred, qualified or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company by Ordinary Resolution at the time of creation of such shares, or in default the Directors, may determine and subject to the provisions of the 1985 Act, any share may be issued on the terms that it is, or at the option of the Company is to be liable, to be redeemed on such terms and in such manner as the Company by Special Resolution may prescribe.

#### **MODIFICATION OF RIGHTS**

7. Subject to the Statutes, all or any of the special rights, privileges or conditions for the time being attached or belonging to any class of shares forming part of the capital of the Company (and notwithstanding that the Company may be or be about to be in liquidation) may from time to time (unless otherwise provided by the terms of issue of the shares of the class) be varied, modified or abrogated in any manner 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 a Special Resolution passed at a separate meeting of the holders of the shares of that class. To any such separate meeting all the provisions of these Articles as to General Meetings (including the obligation to notify members as to their right to appoint proxies) shall apply *mutatis mutandis*, but so that:

- (a) the necessary quorum at any such meeting other than an adjourned meeting shall be two members holding between them at least one-third in nominal value of the issued shares of the class in question present in person or by proxy and

at an adjourned meeting one person holding shares of the class in question or his proxy, and

- (b) each of the holders of shares of the class in question present in person or by proxy may demand a poll and on a poll shall have one vote in respect of every share of the class in question held by him, and
- (c) in the event of an equality of votes the Chairman of the meeting shall be entitled to a further or casting vote in addition to any other vote he may have.

The special rights or privileges attached to any class of shares issued with preferred or other special rights shall not, unless otherwise expressly provided by the terms of issue of the shares, be deemed to be varied or modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

8. Without prejudice to the generality of Article 7 hereof:

- (a) the special rights and privileges attached to the First Preference Shares shall be deemed to be varied by:
  - (i) the creation of further shares ranking in priority to or *pari passu* therewith, or
  - (ii) the reduction of the share capital of the Company,
- (b) the special rights and privileges attached to the Second Preference Shares shall be deemed to be varied by:
  - (i) the creation of further shares ranking in priority to or *pari passu* therewith, or
  - (ii) the reduction of the share capital of the Company except a reduction consisting of a return of capital on all or any of the First Preference Shares.

9. Any class of shares issued without the right to vote at general meetings of the Company attached thereto shall include the words "non-voting" in the name by which the same are designated, and if classes of shares forming part of the equity share capital of the Company are issued with different voting rights attached thereto the names by which such classes are designated (other than the class with the most favourable voting rights attached thereto) shall include the words "limited voting".

#### **INCREASES, REDUCTIONS, CANCELLATIONS AND ALTERATIONS OF 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.
- 11. Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, all new shares shall be subject to the same provisions of these Articles with

reference to payment of calls, transfer, transmission, forfeiture, lien and otherwise as the existing capital and shall be deemed to form part of the Company's original capital.

12. (1) Subject to any such sanction of the Court as may be required by the Statutes the Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.  
  
(2) The Company may from time to time by Ordinary Resolution cancel any shares at the date of the passing of the Resolution not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of the shares so cancelled.
13. The Company may from time to time by Ordinary Resolution:
  - (a) consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares, or
  - (b) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by its Memorandum of Association subject nevertheless to the provisions of Section 121(3) of the 1985 Act, and so that as between the holders of the resulting shares one or more of such shares may by the resolution by which the sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares.
14. Anything done in pursuance of either of the last two preceding Articles shall be done in a manner provided and subject to any conditions imposed by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.
15. Whenever as the result of any consolidation of shares members are entitled to any fractions of shares of the Company, subject to any direction contained in the resolution authorising the same, the Directors may deal with such fractions in any manner they may think fit, and in particular, may sell all or any of the shares representing such fractions and shall at their absolute discretion either distribute the net proceeds thereof amongst the members entitled to such fractions in due proportions, or utilise the same in the payment of the costs incurred by the Company in such consolidation or may deal with the same partly in one way and partly in another. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the transfer.

## **SHARES**

16. Subject to the Statutes the Company shall have power to allot grant options over, or otherwise deal with or dispose of the unissued shares in its capital to such persons for such consideration and generally upon such terms and conditions as to payment by way

of deposit, instalment or calls and at such times as may be determined PROVIDED THAT:

- (a) no share shall be allotted at a discount,
  - (b) no share shall be allotted otherwise than as paid up at least at to one quarter of the nominal value of the share and the whole of any premium on it, unless allotted in pursuance of an Employees' Share Scheme, and
  - (c) no share shall be allotted otherwise than in conformity with the two next following Articles.
17. (1) Save as specified in this Article all the powers of the Company under Article 16 shall be exercised by the Directors, and the unissued shares in the capital of the Company shall be at the disposal of the Directors.
- (2) This Article shall not apply in the case of any allotment of Relevant Securities which for the time being the Directors are not authorised to make either by the authority contained in the next following Article (whether or not such authority has been varied or renewed) or by any authority duly given for the purposes of Section 80 of the 1985 Act.
18. (1) Subject to the following provisions of this Article the Directors in exercising their powers under Article 17 are hereby generally authorised for the purposes of Section 80 of the 1985 Act to exercise all powers of the Company to allot any Relevant Securities, and are hereby generally authorised to allot any Relevant Securities notwithstanding that authority for the purposes of Section 80 of the 1985 Act shall have previously expired if the Relevant Securities are allotted in pursuance of an offer or agreement made before such authority expired.
- (2) Subject to the provisions of paragraph (3) below the maximum amount of the Relevant Securities which the Directors are hereby authorised to allot shall not exceed £11,238,628.50 and the authority hereby conferred upon the Directors to allot Relevant Securities shall expire five years from the date of the adoption of this Article.
- (3) The Company in General Meeting may from time to time by Ordinary Resolution:
- (a) renew the authority hereby conferred upon the Directors to allot Relevant Securities (whether or not such authority has been previously renewed) for further periods not exceeding five years from the date of each such renewal), but any such Resolution renewing (or varying and renewing) the authority shall state (or re-state) the amount of the Relevant Securities which may be allotted under such authority or, as the case may be, remaining to be allotted, and must specify the date on which the authority will expire, or
  - (b) vary or revoke the authority.
19. Subject to the provisions of these Articles the Company shall be entitled to allot shares as fully or partly paid up (as to their nominal value or any premium payable on them) otherwise than in cash PROVIDED THAT:

- (a) the Company shall not accept at any time in payment up of its shares or any premiums on them an undertaking given by any person that he or another should do work or perform services for the Company or any other person; and
  - (b) Shares shall not be so allotted if the consideration for the allotment is or includes an undertaking which is to be or may be performed more than five years from the date of the allotment.
- 20.
  - (1) In exercising their power contained in Article 16 the Directors shall have power (in this Article called “the Disapplication Power”) in accordance with Section 95(1) of the 1985 Act at any time and from time to time to allot Equity Securities for cash pursuant to the general authority for the purposes of Section 80 of the 1985 Act contained in Article 18 to such persons and in such manner as the Directors may think fit as if Section 89(1) of the 1985 Act did not apply to any such allotment.
    - (2) The Disapplication Power shall cease to have effect unless renewed by Special Resolution at the Annual General Meeting of the Company next following the adoption of this Article and shall in any event cease to have effect when the authority for the purposes of Section 80 of the 1985 Act contained in Article 18 is revoked or would expire if not renewed, but so that if such authority is renewed the Disapplication Power may by Special Resolution also be renewed for a period not longer than that for which such authority is renewed.
    - (3) The power conferred by the Disapplication Power enables the Company to make an agreement or offer which would or might require Equity Securities to be allotted after the expiry of the Disapplication Power and the Directors may at any time and from time to time allot Equity Securities pursuant to any such offer or agreement made before the expiry of the Disapplication Power.
- 21.
  - (1) Subject to the following provisions of this Article and to there being in force the Disapplication Power under Article 20 the Company shall not allot any Equity Securities (other than pursuant to a rights issue or any underwriting thereof) on terms that they are, or are to be, paid up wholly in cash, without the prior sanction of a Special Resolution of the Company in General Meeting.
    - (2) The restrictions contained in paragraph (1) above shall not apply in relation to the allotment of any securities which would, apart from a renunciation or assignment of the right to their allotment, be held under an Employees’ Share Scheme.
    - (3) Subject to there being in force the Disapplication Power under Article 20 this Article shall not prevent the Company from allotting any Equity Securities in any year to any person on terms that the securities are, or are to be, paid up wholly in cash if the securities so allotted together with any other Equity Securities so allotted during that year (other than securities so allotted which, apart from a renunciation or assignment of the right to the allotment, would have been held under an Employees’ Share Scheme and other than securities so allotted pursuant to a rights issue or any underwriting thereof), do not exceed in nominal value 5 per cent. of the aggregate of the amount which the Directors are authorised to allot under Article 18 and of the nominal amount of the issued Relevant Shares and Relevant Employee Shares on the day following the commencement of that year.

- (4) In this Article the expression:
- (a) “year” means the period between the date on which one Annual General Meeting of the Company is concluded and the date on which the next following Annual General Meeting is concluded and regardless whether such period is a calendar year in length, and
  - (b) “rights issue” includes an issue of Equity Securities where the Company
    - (i) makes an offer or would in the absence of any of the circumstances referred to in sub-paragraph (ii)(B) of this Article make an offer to each person holding (either at the date of the offer or on a record date not more than one month earlier than the date of the offer) Relevant Shares or Relevant Employee Shares to allot to him a proportion of those securities which is as nearly as practicable equal to but not in excess of the proportion in nominal value held by him (on such date) of the aggregate of Relevant Shares and Relevant Employee Shares, and (ii) if and insofar as either:
      - (A) such offer is not accepted by any such person, or
      - (B) such offer is not made to any such person where the Directors consider that by reason of any local law, legislation or regulation applicable by reason of the place of residence or the registered address of any such person (“the non-offeree”) either it would not be reasonably practicable to make such an offer to the non-offeree or that it would not be reasonably possible for the non-offeree to accept such an offer if made,

instead disposes (if a premium net of expenses can be obtained over the price at which such offer is or would otherwise be made (“the Premium”)) of the Equity Securities (or the right to subscribe therefor) in respect of which such offer has not been accepted or which would otherwise be offered to the non-offeree and procures that the Premium is either paid to such person or to the non-offeree as the case may be or is retained for the benefit of the Company.

22. The Company may exercise the powers conferred by the Statutes of paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing to do so whether absolutely or conditionally, such commissions not to exceed 10 per cent. of the price at which the shares are issued or an amount equivalent thereto. Any such commissions may be paid in cash or in fully paid shares of the Company, or partly in one way and partly in the other, as may be arranged. The Company may also on any issue of shares pay such brokerage as may be lawful.
23. Subject to such consent or sanction on the part of the holders of any class of convertible shares of the Company from time to time and for the time being in issue (being shares convertible into ordinary shares of the Company) as would be required for a variation of the special rights attached to such shares the Company may at any time and from time to time exercise any powers conferred by the Statutes of purchasing its own shares.

24. No person shall be recognised by the Company as holding any share upon trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles otherwise expressly provided or as by the Statutes required or under an order of court) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

### **SHARE CERTIFICATES**

25. Every share certificate (other than letters of allotment, scrip certificates and other like documents) shall be issued under the Common Seal or the Securities Seal (or, in the case of shares on an overseas branch register, a seal for use in the relevant territory) and shall in every case specify the number and class of shares to which it relates and the amount paid up thereon.
26. Subject to the provisions of the next following Article every person whose name is entered as a holder of any share in the Register shall be entitled:
- (a) without payment to one certificate for all the shares of any one class registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a member transfers part of his holding of shares he shall be entitled without payment to a certificate for the balance of his holding,
  - (b) upon payment of the out-of-pocket expenses of the Company in providing the same, to several certificates, each for one or more of his shares of any class.

Any certificates to which a person is entitled hereunder shall be delivered (i) in the case of issue within one month after allotment (or such longer period as the terms of issue shall provide) or (ii) in the case of a transfer of fully paid shares within fourteen days after the lodgement with the Company of the relevant instrument of transfer of the shares, and (iii) in the case of a transfer of partly paid shares within two months after lodgement with the Company of the relevant instrument of transfer.

27. The Company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate to one of several joint holders shall be sufficient delivery to all.
28. Certificates may be delivered either by handing the same personally or by despatching the same to the holder (or, in the case of joint holders, to the first named in the Register) or to the agents of the holder, and any certificates so despatched shall be sent at the risk of the holder.
29. If any certificate is worn out, defaced or alleged to be stolen, lost or destroyed, the Company may issue a new certificate to replace it upon the request of the holder of the shares to which it relates (or, in the case of joint holders, of such of the holders as the Directors in their absolute discretion shall require), without charge but subject to delivery up of the old certificate or, if it is alleged to be stolen, lost or destroyed, subject to

compliance with such conditions (if any) as to evidence and indemnity (with or without security) and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Directors may think fit.

## **TRANSFER OF SHARES**

30. Subject to the restrictions contained in these Articles, any member may transfer all or any of his shares by instrument of transfer complying with these Articles or permitted by the Statutes, but shall be deemed to remain the holder of the shares transferred until the name of the transferee is entered in the Register in respect thereof.
31. The instrument of transfer of any share must be in writing and in any usual or common form or such other form as the Directors may from time to time approve, and must be executed by or on behalf of the transferor (and, in the case of a transfer of a partly paid share, by the transferee), but need not be under seal (except in the case of a transfer by a corporation, in which case the instrument of transfer must be under seal unless the Directors in their absolute discretion decide to recognise a transfer under hand by a person duly authorised to sign on behalf of the corporation). Every instrument of transfer to be registered must be left duly stamped at the Transfer Office or such other place as the Directors may from time to time appoint and, when registered, may be retained by the Company.
32. The Directors may, at their absolute discretion and without assigning any reason therefor, refuse to register:
  - (a) the transfer of any share (not being a fully paid share) to any person whom they shall not approve as transferee, and
  - (b) the transfer of any share on which the Company has a lien.
33. The Directors may decline to register a transfer unless:
  - (a) the instrument of transfer in an approved form duly completed and stamped is lodged at the Transfer Office, or at such other place as the Directors may have appointed, and is accompanied by the certificates for the shares to which it relates with such other evidence as the Directors may require to show the right of the transferor to make the transfer,
  - (b) the instrument of transfer is in respect of only one class of shares, and
  - (c) the instrument of transfer is in favour of not more than four persons as the transferee.
34. If the Directors refuse to register a transfer of any share they shall:
  - (a) within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal,
  - (b) (except in any case of actual or suspected fraud) return the instrument of transfer to the person lodging the same.

35. The registration of transfers of shares or of any class of shares or of any other class of security in the share capital of the Company may be suspended and the Register may be closed at such times (if any) and for such periods as the Directors may from time to time determine PROVIDED THAT such registration shall not be suspended and the Register shall not be closed for more than thirty days in any year.
36. The Directors shall be entitled to recognise and to give effect to a renunciation of the allotment of any share by the allottee in favour of some other person before any person has been entered in the Register as the holder of such share.
37. No fee shall be charged on the registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, stop notice, or other document relating to or affecting the title to any share.

### **TRANSMISSION OF SHARES**

38. In the case of the death of a member, 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 persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
39. Any person becoming entitled by transmission to a share may, upon producing such evidence of title as the Directors shall require, and subject as hereinafter provided, either be registered himself as holder of the share, or elect to have some person nominated by him registered as the transferee thereof.
40. If the person so becoming entitled shall elect to be registered himself he shall deliver or send to the Transfer Office or such other place as the Directors may appoint, a notice in writing signed by him and stating that he so elects. For all purposes of these Articles relating to the right to transfer and the registration of transfers of shares, such notice shall be deemed to be a transfer, and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived.
41. If the person so becoming entitled shall elect to have another person registered, he shall testify his election by executing to such person a transfer of such share. The Directors shall have, in respect of any transfers so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.
42. Subject to the next following Article, a person entitled by transmission to a share shall be entitled (upon such evidence being produced as may from time to time be required by the Directors as to his entitlement) to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in

respect of it to receive notice of, or to attend or vote at, meetings of the Company or to exercise any right conferred by membership in relation to meetings of the Company.

43. The Directors may at any time give notice requiring any person becoming entitled by transmission to a share to elect either to be registered himself or to transfer the share and, if the notice is not complied with within twenty-eight days, the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of the share (but any such action shall not constitute the Company as trustee in respect of any such dividends or other moneys) and suspend any other advantages to which such person would otherwise be entitled in respect of the share until the requirements of the notice have been complied with.

### **CALLS ON SHARES**

44. The Directors may, subject to these Articles and to any conditions of allotment, from time to time make such calls upon the members and persons entitled to shares by transmission in respect of all moneys unpaid on their shares as they think fit PROVIDED THAT fourteen days notice at least is given of each call, and each such person shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments. A call shall be deemed to have been made as soon as the resolution of the Directors authorising such call shall have been passed. A call may in whole or in part be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of shares in respect whereof the call was made.
45. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
46. If before or on the day appointed for payment thereof a call payable in respect of a share is not paid the person from whom the amount of the call is due shall pay interest on such amount at such rate (not exceeding 15 per cent. per annum) as the Directors shall determine from the day appointed for payment thereof to the time of actual payment, but the Directors shall have power to remit such interest or any part thereof.
47. Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date (whether on account of the nominal amount of the share or by way of premium) and any instalment of a call shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of the Statutes, or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.
48. The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
49. The Directors may, if they think fit, receive from any person holding (or by transmission becoming entitled to) any shares willing to advance the same all or any part of the

moneys due upon his shares beyond the sums actually called up thereon, and upon all or any moneys so advanced the Directors may (until the same would, but for such advance, become presently payable) pay or allow such interest (not exceeding, without the consent of a General Meeting, 15 per cent. per annum) as may be agreed upon between them and such person, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

50. Unless the Directors decide otherwise, no person holding (or by transmission becoming entitled to) any share shall be entitled to receive any dividend and no shareholder shall be entitled to be present or vote at any meeting or upon a poll, or to exercise any privilege as a member, until he shall have paid all calls for the time being due and payable on every share held by him (or to which he is entitled by transmission), whether alone or jointly with any other person, together with interest and expenses (if any).

### **FORFEITURE OF SHARES**

51. If any member or person entitled by transmission fails to pay the whole or any part of any call on or before the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call, or any part thereof, remains unpaid serve a notice on him requiring him to pay such call, or such part thereof as remains unpaid, together with any accrued interest and any expenses incurred by the Company by reason of such non-payment.
52. The notice shall name a further day on or before which such call, or such part thereof as aforesaid, and all such interest and expenses as aforesaid are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.
53. 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. The Directors may accept the surrender of a share liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender.
54. A forfeiture of shares under the preceding Articles shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
55. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of or the person entitled by transmission to the share, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the entry of the share, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

56. Every share upon being forfeited shall thereupon become the property of the Company and within the period of three years from the forfeiture may be sold, re-allotted (subject to the provisions of these Articles) or otherwise disposed of, either to the person who was before the forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit including the remission of the whole or any part of the interest made payable by the next following Article, and at any time before such a sale, re-allotment or disposition the forfeiture may be annulled or cancelled on such terms and conditions as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited share to any other person as aforesaid. If within such period of three years the share has not been soled, re-allotted or otherwise disposed of, the Directors shall at the end of such period of three years cancel the share and shall diminish the amount of the authorised and issued share capital by the nominal amount of the share so cancelled and shall comply with all the provisions of Part V of the 1985 Act so far as the same may apply.
57. The holder of or the person entitled by transmission to a share which has been forfeited shall cease to be a member or person entitled in respect of such share and shall surrender to the Company for cancellation the certificate for the share forfeited but shall notwithstanding the forfeiture be liable to pay the Company all calls made and not paid on such share at the time of forfeiture, with interest thereon to the date of payment at such rate, not exceeding 15 per cent. per annum, as the Directors shall think fit, in the same manner in all respects as if the share had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the share at the time of forfeiture without any deduction or allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.
58. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of part members.
59. A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the time and date when it was forfeited, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated, and such declaration together with a certificate for the share under the Common Seal or under the Securities Seal delivered to the person to whom the same is sold, re-allotted or otherwise disposed of, shall (subject to the execution of any necessary transfer) constitute a good title to the share, and the new holder thereof shall be discharged from all calls made prior to such sale, re-allotment or disposal and shall not be bound to see to the application of the purchase money, if any, nor be bound to see to the regularity or validity of, nor shall his title to the share be affected by the omission, irregularity or invalidity in or relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

## **LIEN ON SHARES**

60. The Company shall have a first and paramount lien on every share (not being a fully paid up share) registered in the name of any person (whether singly or jointly with any other person or persons) for all amounts due (whether actually or contingently and whether presently payable or not) to the Company in respect of that share, whether before or after notice to the Company of any equitable or other interest of any person other than such holder, and notwithstanding that the same are joint debts or liabilities of such holder or his estate and any other person whether a member of the Company or not. The Directors may however, at any time declare any share to be exempt, wholly or partially, from the provisions of this Article. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof.
61. For the purposes of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until a notice in writing stating the amount presently due and demanding payment, and giving notice of intention to sell in default, shall have been served in such manner as the Directors shall think fit on such member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him for seven days after such notice.
62. The net proceeds of any such sale (after payment of all costs and expenses of sale) shall be applied in or towards satisfaction of the amount presently due, and the residue (if any) shall (upon surrender to the Company for cancellation of the certificate for the shares sold) be paid to the member or the person (if any) entitled by transmission to the shares PROVIDED ALWAYS that the Company shall be entitled to a lien upon such residue in respect of any amounts due to the Company in respect of the shares but not presently payable like to that which it had upon the shares immediately before the sale thereof.
63. Upon any such sale as aforesaid, the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the name of the purchaser in the Register as holder of the shares, and the purchaser shall not be bound to see the application of the purchase money, nor be bound to see to the regularity or validity of, nor shall his title to the shares be affected by any omission, irregularity or invalidity in or relating to or connected with the proceedings in reference to the sale or transfer of the shares, and after his name has been entered in the Register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

## **CONVERSION OF SHARES INTO STOCK**

64. The Company may, from time to time, by Ordinary Resolution, convert all or any of its paid up shares into stock and may from time to time, in like manner, reconvert any such stock into paid up shares of any denomination.
65. When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein, or any part of such interest, in such manner as the Company in General Meeting shall direct, but in default of any such direction 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 will admit. But the Company in General Meeting, or, failing a resolution of a General Meeting, the Directors, may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum PROVIDED THAT the minimum shall not exceed the nominal amount of the shares from which the stock arose, and may prescribe that the stock is to be divided and transferable in units of corresponding amount.

66. The several holders of stock shall be entitled to participate in the dividends, profits and assets of the Company according to the amount of their respective interests in such stock, and such interest shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantages.
67. All such provisions of these Articles as are applicable to paid-up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder" respectively.

#### **GENERAL MEETINGS**

68. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other General Meeting in that year, and shall specify it as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.
69. The Directors may call a General Meeting (other than an Annual General Meeting) whenever they think fit, and General Meetings shall also be convened on such requisition, or in default may be convened by such requisitions, as provided by the Statutes. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or, if there is no Director within the United Kingdom, any two members of the Company, may convene an General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.
70. Twenty-one clear days notice in writing at the least of every Annual General Meeting and fourteen clear days notice in writing at the least of every other General Meeting, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business, shall be given in manner hereinafter mentioned to such persons, including the Auditors, as are under the provisions hereinafter contained or under the Statutes entitled to receive notices from the Company, but the accidental omission give such notice to or the non-receipt of such notice by any person entitled to receive the same shall not invalidate any resolution passed or proceeding had at any such meeting. Every notice of a General Meeting shall comply with any requirements of the Statutes as regards the notification to members of their rights as to the appointment of proxies.

71. A General Meeting shall, notwithstanding that it is called by a shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by such number of members entitled or having a right to attend and vote thereat as is prescribed by the Statutes.
72. A Director shall be entitled to receive notice of and to attend and speak at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares in the capital of the Company.

### **PROCEEDINGS AT GENERAL MEETINGS**

73. The ordinary business of the Annual General Meeting shall be:
  - (a) to sanction or declare dividends,
  - (b) to consider the documents required by the Statutes to be comprised in the accounts of the Company,
  - (c) to re-appoint Directors or appoint Directors in the place of those retiring by rotation or ceasing to hold office by virtue of Article 101,
  - (d) to re-appoint retiring Auditors (other than auditors last appointed otherwise than by the Company in General Meeting),
  - (e) to fix, or to fix the manner of determining, the remuneration of the Auditors, and
  - (f) to renew or to vary (or both) the authority for the purposes of Section 80 of the 1985 Act contained in Article 18 (the Directors' authority to allot unissued shares of the Company up to a specified amount).

All other business transacted at an Annual General Meeting, and all business transacted at any other General Meeting, shall be deemed to be special.

74. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided two persons entitled to vote at the meeting each being a member shall be a quorum for all purposes.
75. If within half an hour after the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (unless such day shall be a public holiday when it shall stand adjourned to the next working day following such holiday), at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting the member or members (whatever their number) present in person or by proxy and entitled to vote at the meeting shall become a quorum.
76. The Chairman (if any), failing whom the Deputy Chairman (if any), of the Board of Directors shall preside at every General Meeting, but if there be no such Chairman or

Deputy Chairman, of it at any meeting neither shall be present within fifteen minutes after the time appointed for holding the same, or shall be present but unwilling to act as Chairman of the meeting, the Directors present shall choose one Director, or if no Director be present, or if all the Directors present decline to take the chair, the members present shall choose one of themselves, to be Chairman of the meeting.

77. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, as the meeting shall determine, but so that no adjournment of a meeting or adjourned meeting shall be for a period exceeding twenty-eight days from the date of the meeting or the last adjournment thereof as the case may be. Whenever a meeting is adjourned for fourteen days or more, seven clear days notice at the least of the adjourned meeting, specifying the place and time of the meeting, shall be given as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
78. If an amendment be proposed to any motion under consideration but shall in good faith be ruled out of order by the Chairman of the meeting the subsequent proceedings on the motion shall not be invalidated by any error in such ruling. In the case of a resolution proposed as a Special Resolution no amendment thereto (other than a mere clerical amendment to correct a manifest error in the notice relating thereto) may in any event be considered or voted upon.
79. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded:
- (a) by the Chairman of the meeting, or
  - (b) by at least three members having the right to attend and vote at the meeting, or
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or
  - (d) by a member or members holding 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.

Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. A demand for a poll may be withdrawn and a demand so withdrawn shall not be taken to have invalidated the result of a show

of hand declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is so withdrawn, the meeting shall continue as if the demand had not been made.

80. The instrument appointing a proxy to vote at a meeting shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of the last preceding Article a demand by a person as proxy for a member shall be the same as a demand by the member.
81. No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting.
82. A poll validly demanded shall be taken forthwith or at such later time (within fourteen days) and at such place and in such manner as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll, even though not taken immediately. The Chairman of the meeting may appoint scrutineers (who need not be members) for the purpose of taking a poll and may fix a time and place for declaring the result of the poll.
83. In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a further or casting vote in addition to any other vote he may have.
84. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **VOTES OF MEMBERS**

85. Subject to any special rights or restrictions as to voting attached to shares by or in accordance with these Articles, at any General Meeting on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

PROVIDED THAT –

- (A) The First Preference Shares shall entitle the holders thereof to receive notice of and to attend all General Meetings but shall not entitle the holders in respect of their holdings of such shares to vote at any General Meeting unless either:
  - (i) at the date of the notice or requisition convening the meeting the fixed cumulative dividend on the First Preference Shares is six months in arrear after any date fixed for payment thereof as aforesaid, or
  - (ii) the business of the meeting includes the consideration of a resolution for:
    - (a) reducing the share capital of the Company, or

- (b) winding up the Company,
  - (c) the sale of the undertaking of the Company, or
  - (d) varying or abrogating any of the special rights attached to the First Preference Shares, or
  - (e) altering the restrictions on the powers of the Directors to borrow contained in Article 123.
- (B) The Second Preference Shares shall entitle the holders thereof to receive notice of and to attend all General Meetings but shall not entitle the holders in respect of their holdings of such shares to vote at any General Meeting unless either:
- (i) at the date of the notice or requisition convening the meeting the fixed cumulative dividend on the Second Preference Shares is six months in arrear after any date fixed for payment thereof as aforesaid, or
  - (ii) the business of the meeting includes the consideration of a resolution for:
    - (a) reducing the share capital of the Company, or
    - (b) winding up the Company,
    - (c) the sale of the undertaking of the Company, or
    - (d) varying or abrogating any of the special rights attached to the Second Preference Shares, or
    - (e) altering the restrictions on the powers of the Directors to borrow contained in Article 123.
86. A member who is a patient for the purposes of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs shall not be entitled to vote at a meeting in person, whether on a show of hands or on a poll, but may vote at a meeting, whether on a show of hands or on a poll, by his receiver, committee, *curator bonis*, or other person authorised in that behalf whether by virtue of appointment by such Court or otherwise, and such last-mentioned persons may give their votes by proxy on a poll PROVIDED THAT not less than forty-eight hours before the time fixed for holding the meeting or adjourned meeting or the taking of the poll at which it is desired to vote, such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Transfer Office or at such other place within the United Kingdom as may be specified for the purpose in the notice convening the meeting.
87. If two or more persons are jointly entitled to a share, then, in voting upon any question, the vote of the senior who tenders a notice, whether in person or by proxy, shall be

accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of that share.

88. Save as herein expressly provided, no member, other than a member duly registered who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to vote on any question either personally or by proxy at any General Meeting.
89. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
90. On a poll taken at a meeting of the Company or at a meeting of any class of members a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
91. Any corporation which is a member of the Company may authorise any person to act as its representative at any meeting of the Company or of any class of members thereof, and such representative shall be entitled to exercise the same powers on behalf of the corporation, which he represents as if the corporation were an individual shareholder, and such corporation shall for all purposes of these Articles be deemed to be present in person at any meeting at which any such representative is present. Any such authorisation in writing purporting to be signed by an officer of or other person duly authorised for the purpose by the said corporation shall be conclusive evidence of the authority of the representative to act on behalf of the corporation.
92. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection duly raised shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

#### **PROXIES**

93. Any instrument appointing a proxy shall be in any common form or in such other form as may be approved by the Directors, but shall be in writing, executed by or on behalf of the appointor or if such appointor is a corporation either under its common seal or under the hand of an officer, attorney or other person duly authorised in that behalf to sign the same.
94. The instrument appointing a proxy and any authority under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Directors or such other copy or evidence thereof as the Directors in their absolute discretion shall approve, any such approval being given either generally or in any specific case, shall be deposited at the Transfer Office, or at such other place within the United Kingdom as is specified in the notice of the meeting or in the form of instrument of proxy issued by the Company, at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of a poll, not less than forty-eight hours

before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

95. A vote given or poll demanded in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or incapacity of the appointor or revocation of the proxy or of the authority under which it was executed, or the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, incapacity, revocation or transfer shall have been received at the Transfer Office one hour at least before the time fixed for holding the meeting or adjourned meeting or, in the case of a poll, before the time appointed for the taking of the poll at which the proxy is used.
96. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

## **DIRECTORS**

97. Until otherwise determined by the Company by Ordinary Resolution, the number of Directors shall not be less than three. The shareholding qualification for Directors may be fixed by the Company in General Meeting, and unless and until so fixed no qualification shall be required. A Director may act before obtaining his qualification, but if not already qualified he shall obtain his qualification within two months from the date of his appointment.
98. Until otherwise determined by the Company in General Meeting the ordinary remuneration of the Directors shall not exceed a rate of £50,000 per annum in aggregate (exclusive of value added tax, if applicable) payable only to the non-executive Directors of the Company, namely those Directors of the Company who are not for the time being employed by or holding executive office with the Company or any of its subsidiaries, and, subject thereto, the amount of the ordinary remuneration payable to each of the non-executive Director shall be determined by the Directors. Remuneration payable pursuant to this Article may be deemed to accrue from day to day.
99. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them in and about the business of the Company, including their expenses of travelling to and from meetings of the Directors or of committees of the Directors or meetings of the Company, or of the holders of shares of any class in the capital of the Company.
100. The Directors may grant special remuneration to any Director who, being called upon, shall be willing to render any executive, special or extra services to the Company, or to go or reside abroad in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary or commission or participation in profits, or by any or all of those modes or otherwise.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

101. The Directors may from time to time appoint any other person to be a Director, either to fill a casual vacancy or as an additional Director. Any Director appointed under this Article shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall be eligible for election as a Director at that meeting. Any Director who retires under this Article shall not be taken into account in determining the rotation of retirement of Directors.
102. The continuing Director or Directors at any time may act, notwithstanding any vacancy in their body PROVIDED ALWAYS that in case the Directors shall at any time be or be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for him or them to act for the purpose of filling up vacancies in their body or calling a General Meeting of the Company, but not for any other purpose. If there be no Director able or willing to act, any two members may summon a General Meeting for the purpose of appointing Directors.
103. Subject to the provisions of these Articles, at the Annual General Meeting in every year one-third of the Directors (excluding any Directors in any event retiring pursuant to Article 101 or Article 112) for the time being, or if their number is not a multiple of three then the number nearest to but not exceeding one-third shall retire from office. PROVIDED THAT if in any year the number of Directors who are subject to retirement by rotation shall be two, one of such Directors shall retire, and if in any year the number of Directors subject to retirement by rotation shall be one only, that Director shall retire.
104. The number of Directors to retire by rotation at the Annual General Meeting in accordance with the provisions of the last preceding Article shall be reduced by the number of Directors, if any, (not being Directors required to retire by rotation or otherwise at that Annual General Meeting) who are entitled to retire and do retire at that Annual General Meeting and who do not wish to offer themselves for re-election.
105. The Directors to retire at the Annual General Meeting in every year shall be the Directors who have been longest in office since their last appointment or re-appointment. As between Directors who became or were last re-appointed Directors on the same day, the Directors to retire shall in the absence of agreement be selected from among them by lot. A Director retiring by rotation shall be eligible for re-appointment and shall act as a Director throughout the meeting at which he retires.
106. The Company may, at the meeting at which any Director retires by rotation, by Ordinary Resolution fill up the vacated office by electing thereto the retiring Director or (subject to the provisions of the Statutes) some other person, and in default the retiring Director, if willing to act, shall be deemed to have been re-appointed, except in any of the following cases:
  - (a) where at such meeting it is expressly resolved not to fill up such office, or a resolution for the re-election of such Director is put to the meeting and not passed, or
  - (b) where before such meeting such Director has given notice in writing to the Company that he is unwilling to be re-elected, or

- (c) where the default is due to the moving of a resolution in contravention of the next following Article, or
  - (d) where such Director has attained any retiring age by or pursuant to these Articles or otherwise made applicable to him as a Director.
- 107. At a General Meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- 108. (1) No person not being a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any General Meeting unless, within the prescribed time before the day appointed for the meeting, there shall have been served upon the Company notice in writing by some member (not being the person to be proposed) duly qualified to be present 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.
  - (2) The prescribed time above mentioned shall be such that, between the date when the notice is given, or deemed to be given, and the day appointed for the meeting, there shall be not less than six nor more than twenty-eight clear intervening days.
- 109. The Company may from time to time in General Meeting increase or reduce the number of Directors, and subject to Article 107(1), may make the appointments necessary for effecting any such increase, and may determine in what rotation such increased or reduced number shall go out of office.
- 110. In addition and without prejudice to the provisions of the Statutes, the Company may by Special Resolution remove any Director before the expiration of his period of office, and may, if thought fit, but subject to Article 108(1) by Ordinary Resolution appoint another person in his stead, any person so appointed shall retain his office so long only as the Director in whose place he is appointed would have held the same if he had not been removed, but shall be eligible for re-election. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
- 111. The office of a Director shall be vacated in any of the following events –
  - (a) if a receiving order is made against him, or he makes any arrangement or composition with his creditors generally,
  - (b) if in England or elsewhere an order shall be made by any Court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a *curator bonis* or guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with regard to his property or affairs, and the other Directors pass a resolution that he has by reason of mental disorder vacated office,

- (c) if he absents himself from meetings of the Directors for a continuous period of six months without leave of absence from the Directors, and the Directors pass a resolution that he has by reason of such absence vacated office,
  - (d) if he is or becomes prohibited by law from being or acting as a Director,
  - (e) If (not being an executive Director holding office as such pursuant to the next following Article) he shall resign by notice in writing under his hand delivered to the Office or tendered at a meeting of the Directors,
  - (f) if he shall tender his resignation at a meeting of the Directors and all the other Directors present thereat shall resolve to accept the same,
  - (g) if (not being already qualified) he does not obtain the number of qualification shares (if any) required by or pursuant to these Articles within two months after his appointment, or if at any time after being duly qualified he ceases to hold such requisite number of qualification shares.
112. A resolution of the Directors pursuant to Article 111(b) or (c) declaring a Director to have vacated office as aforesaid shall be conclusive as to the fact and grounds of vacation stated in the resolution.

#### **EXECUTIVE DIRECTORS**

113. The Directors may from time to time appoint any of their number to be the holder of any executive office or any other employment with the Company or any of its subsidiaries (including but not limited to such offices as Chairman or Chief Executive, Managing Director or Joint Managing Director or their deputies) for such period and upon such terms as they think fit and, subject to the provisions of any agreement entered into in any particular case, may revoke or terminate such appointment, but without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. The holder of any executive office shall receive such remuneration (whether by way of salary, commission or participation in profits, or otherwise) as the Directors may determine, and either in addition to or in lieu of his remuneration as a Director.
114. The Directors may entrust to and confer upon an Executive Director any of the powers exercisable by them 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 may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers.

#### **ALTERNATE DIRECTORS**

115. Any Director may appoint any person to be his alternate, and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to notice of meetings of the Directors, and to attend and vote as a Director and be counted towards the quorum at any such meeting at which the Director appointing him is not personally present and where he is himself a Director to have a separate vote at meetings of Directors on behalf of the

Director he is representing in addition to his own vote, and generally at such meetings to have and exercise all the powers, rights, duties and authorities of the Director appointing him PROVIDED THAT no such appointment of any person not being a Director shall be operative unless and until the approval of the Directors by a majority consisting of not less than two-thirds of all the Directors shall have been given. A Director may at any time revoke the appointment of an alternate appointed by him, and (subject to such approval as aforesaid) appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine PROVIDED THAT if any Director retires at any General Meeting of the Company but is re-appointed by or deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to the meeting shall continue to operate after the meeting as if he had not so retired. Any appointment or revocation under this Article shall be effected by notice in writing under the hand of the Director making the same, and any such notice if sent to or left at the Office shall be sufficient evidence of such appointment or revocation. Every such alternate shall be an officer of the Company and he shall not be deemed to be the agent of the Director nominating him. The remuneration of any such alternate shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between such alternate and the Director appointing him. An alternate Director need not hold any share qualification.

#### **POWERS OF THE DIRECTORS**

116. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject, nevertheless, to the provisions of the Statutes and of these Articles and to such directions (whether or not inconsistent with these Articles) as may be prescribed by the Company by Special Resolution, but no such direction and no alteration of these Articles shall invalidate any prior act of the Directors which would have been valid if that direction or alteration had not been prescribed or 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 and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.
117. The Directors may from time to time and at any time by power of attorney, under the Common Seal or under the hand of a Director, appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
118. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs, either in the United Kingdom or elsewhere, and may for this

purpose (without prejudice to the generality of their powers) establish any committees, local boards or agencies and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration and may delegate to any committee, local board or agency any of the powers, authorities and discretions vested in the Directors with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding any vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

119. The Directors may exercise the powers conferred upon the Company by the Statutes with regard to the keeping of an overseas branch register in any country or territory specified in Part 1 of Schedule 14 to the 1985 Act where the Company transacts business and may (subject to the provisions of the Statutes) make and vary such provisions as they think fit respecting the keeping of any such register.
120. The Office shall be at such place in England and Wales as the Directors shall from time to time appoint.

#### **POWER TO PAY PENSIONS AND TO PROVIDE FOR EMPLOYEES**

121. (1) The Directors may (i) establish and maintain or procure the establishment and maintenance of or the participation of the Company in any non-contributory or contributory pension or superannuation or death, disablement, sickness or other benefit funds or schemes for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or other benefits to, any person who are or were at any time in the employment or service of any company comprised in the Group, or of any company which is or was a predecessor in business of, or the whole or any part of the undertaking of which has become mediately or immediately vested in, the Company or any such other company as aforesaid, or who are or were at any time Directors or officers of any such company, and whether or not holding any employment or office therein and the wives, husbands, widows, widowers, children or step-children under the age of eighteen years and other relatives and dependants of any such person; (ii) establish and subsidise or subscribe to any institutions, associations, clubs, or funds calculated to be for the benefit of or to advance the interests and well-being of any company comprised in the Group, or of any such person as aforesaid, and (iii) make payments for or towards the insurance of any such persons aforesaid, and do any of the matters aforesaid, either alone or in conjunction with any company comprised in the Group. Subject always, if the Statutes shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by the Company, any Director whether or not holding or whether or not he has held any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or benefit. A Director or former Director shall not be accountable to the Company or the members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

(2) For the purposes of this Article “the Group” means the Company, its subsidiary companies, any holding company of the Company, any subsidiary of any such holding company and any other company in which the Company is for the time being directly or indirectly interested.

122. The Directors are hereby authorised to exercise (by resolution of a meeting of the Directors) the power conferred upon the Company by sub-section (1) of Section 719 of the 1985 Act to make provision out of the profits of the Company available for dividend, for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries, being provision in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

### **BORROWING POWERS**

123. (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to these Articles to issue debentures and other securities. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that, save with the previous sanction of the Company in General Meeting, no money shall be borrowed if either:

- (i) the aggregate principal amount outstanding of all moneys borrowed by the Group (excluding inter-Group borrowings) then exceeds or would as a result of such borrowing exceed an amount equal to one and one-half times the aggregate of the adjusted share capital and consolidated reserves, or
- (ii) the aggregate principal amount outstanding of all moneys borrowed by the Group (excluding inter-Group borrowings) and not repayable within five years from the date on which the same shall have been borrowed shall exceed an amount equal to the amount of the aggregate of the adjusted share capital and consolidated reserves.

(2) For the purposes of this Article “the Group” means the Company and its subsidiaries for the time being.

(3) For the purposes of this Article “the adjusted share capital and consolidated reserves” means the aggregate as certified by the Auditors for the time being of the Company of:

- (i) the amount paid up or credited as paid up on the issued share capital of the Company, and
- (ii) the amount standing to the credit of the reserves of the Company and its subsidiaries including share premium account, capital redemption reserve and revaluation reserve and plus or minus (as the case may be) the credit or debit balance on profit and loss account,

all as shown by the latest audited and consolidated balance sheet of the Company and its subsidiaries but after:

- (iii) adjusting for any variation in such paid up share capital, share premium account and capital redemption reserve and revaluation reserve and any variation in interests in subsidiaries since the date of the latest relevant audited balance sheet (for which purpose an issue or proposed issue of share capital for cash which has been underwritten shall be deemed paid up to the extent that the underwriters are liable therefore and that such capital will be paid up within six months from the date on which such underwriting becomes unconditional),
- (iv) deducting therefrom any amount distributed or proposed to be distributed out of the profits included therein except to the extent that such distribution is attributable to the Company or any of its subsidiaries or has been provided for in such consolidation, and
- (v) excluding therefrom amounts attributable to minority interests in subsidiaries, amounts provided for deferred taxation and amounts attributable to goodwill (other than goodwill arising only on consolidation) and any other intangible assets.

The determination of the Auditors as to the amount of the adjusted share capital and consolidated 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 share capital and consolidated 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 balance sheet adopted as the main or principal balance sheet of the Company or any of its subsidiaries whether prepared on an historic cost basis or on any other generally accepted accounting principles shall be definitive for the purposes of establishing the adjusted share capital and consolidated reserves.

(4) For the purposes of the preceding sub-clauses of this Article “moneys borrowed” when used in relation to the Company and its subsidiaries shall not include any amounts or obligations for the time being owing by any such companies to any other of them but shall include any fixed or minimum premium payable on final redemption or repayment and (subject to the foregoing) shall include the following except to the extent otherwise taken into account:

- (i) the principal amount of any debentures (as defined by the Statutes) notwithstanding that the same may be or have been issued in whole or in part for a consideration other than cash,

- (ii) the outstanding amount of acceptance (not being acceptances for the purchase or sale of goods in the ordinary course of trading) by any bank or accepting house under any acceptance credit granted to the Company or any of its subsidiaries,
- (iii) the nominal amount of any issued share capital and the principal amount of any moneys borrowed the redemption or repayment of which is wholly or partly guaranteed or secured or the subject of an indemnity given by the Company or any of its subsidiaries except in so far as the benefit of any such guarantee, security or indemnity is held by the Company or any of its subsidiaries and so that for this purpose the expression "guarantee" shall mean any undertaking whether as principal or secondary debtor to answer for the debt or default of another person,

but shall not include:

- (iv) amounts borrowed for the purposes of redeeming or repaying within six months of first being borrowed other moneys borrowed by the Company or any subsidiary (otherwise than from the Company or any other subsidiary) pending their application for that purpose within such period, or
- (v) the proportion of the excess outside borrowings of a partly-owned subsidiary which corresponds to the proportion of its equity share capital held otherwise than by the Company or any other subsidiary and so that for this purpose the expression "excess outside borrowings" shall mean so much of the borrowings of such partly-owned subsidiary otherwise than from the Company and its other subsidiaries as exceeds the amounts if any borrowed from it by the Company and its other subsidiaries, or
- (vi) amounts borrowed by the Company or any subsidiary for the purpose of financing any contract to the extent that the price receivable under any such contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or other institution carrying on a similar business, or
- (vii) moneys borrowed by a company becoming a subsidiary after the date of adoption of this Article and outstanding on the date it becomes a subsidiary but so that such non-inclusion shall only apply for a period of six months from the date of such company becoming a subsidiary, or
- (viii) amounts due in respect of any assets leased by the Company or any subsidiary under finance leases

(5) No lender or other person dealing with the Company or any of its subsidiaries shall be concerned to see or inquire whether the limit imposed by this Article is observed, and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred

at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded.

### PROCEEDINGS OF DIRECTORS

124. The Directors or any committee of Directors may meet together either in person or by telephone (provided that all parties to the meeting can hear each other) for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined by the Directors, two shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
125. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to any Director for the time being absent from the United Kingdom, unless such a Director has given to the Company an address within the United Kingdom at which notice may be served upon him, and if an alternate Director is duly appointed to act as alternate for such a Director, notice of such meeting shall be given to his alternate Director. Notice of a meeting of Directors shall be deemed to be duly given to any person if given to him personally or by word of mouth or sent in writing to his last known address within the United Kingdom or any other address within the United Kingdom given to the Company by him for the purpose. A Director or an alternate Director may waive either prospectively or retrospectively notice of any meeting of the Directors which would otherwise be required to be given to him.
126. The Directors may from time to time elect and remove a Chairman and Deputy Chairman the senior of whom present shall preside at their meetings but, if no such Chairman or Deputy Chairman be elected or, if at any meeting the Chairman or Deputy Chairman be not present within five minutes after the time appointed for holding the same or shall be present but unwilling to act as chairman of the meeting, a substitute for that meeting shall be appointed by such meeting from among the Directors present.
127. The Directors may delegate any of their powers, other than the powers to borrow and make calls, to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed by the Directors. Save as aforesaid, the meetings and proceedings of a committee consisting of more than one member shall be governed by the provisions of these Articles regulating the meetings and proceedings of Directors.
128. All acts *bona fide* done by any meeting of the Directors, or by a committee of Directors or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director and been entitled to vote.

129. The Directors shall cause proper minutes to be made in books to be provided for the purpose of all appointments of officers made by the Directors, of the proceedings of all meetings of Directors and committees of Directors, and of the attendances thereat, and of the proceedings of all meetings of the Company and of holders of any class of shares in the Company and all business transacted, resolutions passed and orders made at such meetings, and any such minutes of such meetings, if purporting to be signed by the Chairman of such meetings, or by the Chairman of the next succeeding meeting of the Company or Directors or committee, as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.
130. A resolution in writing signed or approved by telex, cable or telephone subsequently confirmed by telex, cable or letter by each Director present within the United Kingdom throughout the day of circulation of the resolution and entitled to receive notice of a meeting of the Directors or by each member of a committee shall be as effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee, duly convened and held, and where in writing signed by more than one Director or member of a committee may consist of several documents in the like form each signed by one or more of the Directors, or members of the committee concerned. The signature or approval of an alternate Director acting as alternate for any Director who has not signed or approved the resolution shall be deemed for the purpose of this Article to be the signature or approval (as the case may be) of the Director for whom the alternate Director so acts.

#### **INTERESTS OF DIRECTORS**

131. (1) A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and, in any such case, on such terms as to remuneration and otherwise as the Directors may determine, and may receive such extra emoluments therefor (whether by way of salary, commission or participation in profits or otherwise) as the Directors may determine. Such extra emoluments shall be in addition to any remuneration provided for by or pursuant to any other of these Articles. A Director may be a customer of the Company and of any subsidiary of the Company in the ordinary course of its business. No Director shall be disqualified by his office from entering into any contract, transaction or arrangement with the Company either in regard to such office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, transaction or arrangement (subject, if and as required by Section 320 of the 1985 Act, to the approval of the Company in General Meeting) nor shall any contract, transaction or arrangement entered into by or on behalf of the Company, in which any Director or person connected with him shall be in any way interested, be avoided. No Director who enters into any such contract, transaction or arrangement or who is so interested shall be liable, by reason of such Director holding that office or of the fiduciary relationship thereby established, to account to the Company or the members for any profit or other benefits realised by any such contract, transaction or arrangement. It shall nevertheless be the duty of any Director who is for the purposes of Section 317 of the 1985 Act in any way, whether directly or indirectly, interested in any contract, transaction or arrangement, or proposed contract, transaction or arrangement with the Company (including any transaction or arrangement of the kind described in Section 330 of the 1985 Act made or to be made by the Company for the

Director or a person connected with the Director) to declare the nature of such interest at a meeting of the Directors in accordance with Section 317 of the 1985 Act.

(2) Save as herein provided, a Director shall not as a Director vote in respect of any contract, transaction 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.

(3) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) 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, or
- (b) 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, or
- (c) 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 the Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof, or
- (d) 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 is not the holder (other than as bare trustee) of or beneficially interested in 1 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 paragraph (3) to be a material interest in all circumstances), or
- (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death, disability, sickness or other benefits 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, or
- (f) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner to the employees and which does not accord to the Director as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates.

(4) Where proposals are under consideration concerning the appointment (including fixing or varying or recommending the terms of appointment or the termination thereof) 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 (3)(d) 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.

(5) If any question shall arise at any meeting as to the materiality of the interest of a Director (other than the Chairman of the meeting) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director, have not been fairly disclosed.

If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Directors (for which purpose such Chairman shall be counted in the quorum, but shall not vote) and such resolution shall be final and conclusive except in a case where the nature or extent of the interests of such Chairman, as known to such Chairman, have not been fairly disclosed.

(6) The Company may by Ordinary Resolution suspend, vary or relax the provisions of this Article to any extent or ratify any contract, transaction or arrangement not duly authorised by reason of a contravention of this Article.

132. Any Director may continue to be or become a director, officer, servant or member of or be otherwise interested in or be a party to any contract, transaction or arrangement with any other company in which the Company may be interested, and (unless otherwise agreed) no such Director shall be accountable to the Company or the members for any remuneration or other benefits received by him as a director, officer, servant or member of or from his interest in, or from any such contract, transaction or arrangement with, any such other company.
133. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officer or servants of such company or voting or providing for the payment of remuneration to such officers or servant).

#### **RECORDS FOR INSPECTIONS**

134. The Company shall keep and make available for inspections:
- (a) as required by Section 318 of the 1985 Act copies of memoranda of the services contracts of Directors (including shadow directors as defined by the Statutes),

- (b) as required by Section 325 of the 1985 Act a register of Directors' interests in shares or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary of the Company's holding company, which register shall be produced and remain open at each Annual General Meeting, and
- (c) as required by Section 211 of the 1985 Act, a register for recording information received and requirements imposed by the Company pursuant to Sections 198 to 202 and 212 of the 1985 Act relating to the acquisition, disposal or changes in amounts of and interests in shares in the Company.

### **SECRETARY**

- 135. The Secretary shall be appointed by the Directors in accordance with the Statutes for such time at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.
- 136. Any provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary, but subject thereto anything by the Statutes or by these Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary available to act, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary available to act, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.

### **SEALS**

- 137. The Directors shall provide for the safe custody of the Common Seal, the Securities Seal and every other seal of the Company, but shall have power from time to time to destroy the same and to substitute new seals in lieu thereof. No such seal of the Company shall ever be affixed to any instrument except by the authority of a resolution of the Directors or of a committee of the Directors authorised in that behalf, but such authority may be of a general nature and need not apply only to specific documents or instruments.
- 138. Subject as in this Article provided, either one Director and the Secretary or two Directors or any two persons authorised by a resolution of the Directors or of a committee duly authorised in that behalf shall sign autographically every instrument to which the Common Seal shall be affixed and in favour of any purchaser or person *bona fide* dealing with the Company such signatures shall be conclusive evidence of the fact that the Common Seal has been properly affixed. A resolution of the Directors or of a committee authorising two persons for this purpose may be of a general nature and need not apply only to specific documents or instruments. Any certificate for shares, stock or debenture or loan stock (except where the Trust Deed constituting any stock or debenture or loan stock provides to the contrary) or representing any other form of security of the Company to which a seal of the Company is required to be affixed need not be signed or countersigned by any person.

139. The Company may have an official seal (being the Securities Seal), as permitted by Section 40 of the 1985 Act, for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued, and any such document to which the Securities Seal is affixed need not be signed by any person.
140. The Company may have an official seal for use abroad under the provisions of the Statutes, where and as the Directors shall determine, and the Company may by writing under the Common Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as the Directors think fit.

#### **AUTHENTICATION OF DOCUMENTS**

141. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee of the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where 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.
142. A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Company or the Directors or any committee of the Directors which is certified as such in accordance with the provisions of the last preceding Article 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 extract is a true and accurate record of a duly constituted meeting of the Company or the Director or of such committee of the Directors as the case may be.

#### **NEGOTIABLE INSTRUMENTS, RECEIPTS ETC**

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

#### **DIVIDENDS**

144. Subject to any rights or privileges for the time being attached to any shares in the capital of the Company having preferential, deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls. All dividends shall be apportioned and paid pro rata (as nearly as may be) according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part)

as from a particular date (either past or future), such share shall rank for dividend accordingly.

145. Subject to these Articles:

- (a) the Company in General Meeting may sanction or declare dividends, but so that no larger dividend may be sanctioned or declared than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive, and
- (b) the Directors may from time to time, if they think fit, and if in their opinion the position of the Company justifies such payment, pay interim dividends. If the share capital of the Company is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

146. No dividend or other distribution (as defined in Section 263 of the 1985 Act) shall be paid:

- (a) otherwise than out of profits available for the purpose (as defined in the said Section 263), and
- (b) if at that time the amount of the Company's net assets (as specified in Section 264 of the 1985 Act) is less than the aggregate of the Company's called up share capital and its undistributable reserves (as defined in the said Section 264) as shown by the latest audited accounts of the company or such other accounts as may be the relevant accounts for the purposes of Section 270 of the 1985 Act, and
- (c) to the extent that such dividend or other distribution would reduce the amount of those assets to less than that aggregate as so shown.

147. A General Meeting sanctioning or declaring a dividend may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any members upon the basis of the values so fixed, in order to adjust the rights of members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as

may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit and no valuation, adjustment or arrangement so made shall be questioned by any member.

#### **PAYMENT OF DIVIDENDS AND OTHER MONEYS**

148. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the same.
149. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
150. 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.
151. 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. All unclaimed dividends and other moneys may in the absolute discretion of the Directors be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No such unclaimed dividend or other moneys shall bear interest as against the Company.
152. Any dividend or other moneys payable in cash in respect of any share may be paid by cheque or warrant payable to the order of the member entitled thereto, or (in the case of joint holders) of that member whose name stands first on the Register in respect of the joint holding or to such person as the holder or joint holders or person or persons entitled by transmission may direct. Every such cheque or warrant shall (unless otherwise directed by the person entitled thereto) be sent by prepaid envelope to the last registered address of the member entitled thereto, and payment of the cheque or warrant if purporting to be duly endorsed or, when unendorsed, appearing to have been duly paid by the banker on whom it is drawn, shall be a good discharge to the Company for all dividends or moneys so paid. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
153. If the person entitled to a dividend directs that the dividend should be paid to a bank, nothing in the preceding Article shall prevent the Directors in their absolute discretion from making special arrangements for the payment of the dividends receivable by such banker.
154. If several persons are registered as joint holders of any share, or are entitled jointly by transmission to a share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

## **CAPITALISATION OF RESERVES**

155. The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or of any capital redemption reserve or share premium account and accordingly that such amount be set free for distribution and appropriated to the holders of the Ordinary Shares in accordance with their rights and interests in the profits on the footing that the Ordinary Shareholders become entitled thereto as capital and that all or any part of such capitalised fund be applied either in paying up in full unissued shares of the Company or, except in the case of a capitalisation of any amount standing to the credit of any capital redemption reserve or share premium account or other undistributable reserve, in paying in full unissued debentures of the Company, and that such shares or debentures be allotted and distributed among the Ordinary Shareholders in accordance with their rights and interests in the profits of the Company or expecting as aforesaid in or towards paying up amounts for the time being unpaid on any shares held by the Ordinary Shareholders respectively or so far as the relevant amounts are distributable partly in one way and partly in another PROVIDED THAT in the case where any amount is applied in paying up in full debentures of the Company or in or towards paying up amounts for the time being unpaid on any shares of the Company the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves and would not be reduced below that aggregate by the payment thereof as shown in the latest audited accounts of the Company or such other accounts as may be the relevant accounts for the purposes of Section 270 of the 1985 Act.
156. Whenever a resolution is passed in pursuance of the last preceding Article and subject to these Articles and to the Statutes, the Directors shall make all appropriations and applications of the amount resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fraction certificates or by payment in cash or the accrual of the benefit to the Company rather than to the shareholders concerned or otherwise as they think fit in the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits or reserves resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

## **ACCOUNTS**

157. The Directors shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions in accordance with the Statutes. The accounting records shall be kept at the Office, or, subject to the provisions of the Statutes, at such other place or places as the Directors shall think fit, and shall always be open to inspection by the officers of the Company.

158. The Directors shall from time to time determine whether and to what extent (if any) and at what times and places and under what conditions or regulations the accounting records and books of the Company, or any of them, shall be open to the inspection of members, and no member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by the Statutes or authorised by the Directors or by a resolution of the Company in General Meeting.
159. (1) The Directors shall from time to time in accordance with the Statutes, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Statutes.
- (2) Subject as provided in this Article a copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report and the Directors' report, shall, not less than twenty-one days previous to the General Meeting, be sent to each member and to every other person by these Articles or the Statutes entitled to receive copies of such documents.
- (3) Paragraph (2) of this Article shall not require a copy of any document to be sent to more than one of any persons holding jointly (or by transmission becoming jointly entitled to) any shares or to any person of whose address the Company is not aware, but any such person to whom a copy of the documents specified in paragraph (2) of this Article has not been sent shall nevertheless be entitled to receive a copy free of charge on application at the Office.

#### **AUDIT**

160. The accounts of the Company shall be examined, the consistency therewith of the Directors' report considered and the profit and loss account, balance sheet and the group accounts, if any, examined by one or more properly qualified Auditor or Auditors in accordance with the provisions of the Statutes.
161. The appointment, powers, rights, remuneration and duties of the Auditors shall be regulated by the Statutes.
162. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns them as auditors.

#### **NOTICES**

163. A notice or other document may be served by the Company upon any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address or by leaving it at that address.
164. All notices directed to be given to the members shall with respect to any share to which persons are jointly entitled be given to whichever of such persons is named first in the

Register in respect of that share, and notice so given shall be sufficient notice to all the holders of such share.

165. Any member described in the Register by an address not within the United Kingdom who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid and as provided by the Statutes, only those members who are described in the Register by an address within the United Kingdom shall be entitled to receive any notices from the Company.
166. 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 of the Company or of the holders of any class of shares in the capital of the Company by notice sent through the post, any such General Meeting may be convened by notice advertised once in at least two leading daily newspapers, at least one of which shall be published in London such notice shall be deemed to have been duly served on all persons entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall as soon as practicable after normal postal services within the United Kingdom are restored send confirmatory copies of the notice by post unless the time of such posting shall be less than forty-eight hours prior to the time of the meeting for which such notice is given.
167. Any summons, notice, order or other document required to be given to or served upon the Company, or upon any officer of the Company, may be given or served by leaving the same or sending it through the post in a prepaid registered letter addressed to the Company, or to such officer, at the Office.
168. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.
169. Subject to the provisions of the Statutes any notice or other document if given or served by the Company by post shall be deemed to have been given or served at the expiration of twenty-four hours (or where second-class mail is employed, forty-eight hours) after the letter containing the same is posted, and in proving such giving or service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice given by advertisement shall be deemed to have been served on the day on which the advertisement appears.
170. Any notice or other document served upon or sent to any member in accordance with these Articles shall, notwithstanding that he be then deceased or bankrupt, and whether the Company has notice of his death or bankruptcy or not, be deemed to be duly served or sent in respect of any shares held by him (either alone or jointly with others) until some other person is registered in his stead as the holder or joint holder of such shares, and such service or sending shall be a sufficient service on or sending to his executors, administrators or assigns and all other persons (if any) interested in or entitled by transmission to such shares.

## **RECORD DATES**

171. Subject to the Statutes and to these Articles the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## **DESTRUCTION OF DOCUMENTS**

172. The Company may destroy:
- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation.
  - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company,
  - (c) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration thereof, and
  - (d) any other document on the basis of which an entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it,

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company PROVIDED ALWAYS that:

- (i) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim,
- (ii) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled, and
- (iii) reference in this Article to the destruction of any document include references to its disposal in any manner.

## **UNTRACED MEMBERS**

173. (1) The Company shall be entitled to sell as the agent of a member or the person entitled by transmission from such member at the best price reasonably obtainable any

share registered in the name of that member PROVIDED THAT the following conditions are satisfied:

- (a) for a period of twelve years during which the Company has made a distribution by way of dividend to the holders of ordinary shares of the Company on at least three separate occasions no cheque or warrant sent by the Company through the post in a prepaid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission, and
- (b) the Company has at the expiration of the said period of twelve years by advertisement in two national daily newspapers and in a newspaper circulating in the area in which the address referred to in sub-paragraph (a) of this Article is located given notice of its intention to sell such share, and
- (c) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or shares registered in the name of the member and such instrument of transfer shall be as effective as if it had been executed by the member or person entitled by transmission to such share or shares. The Company shall remain liable to account to the member or other person entitled by transmission to such share or shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same.

(2) In the event that the Company shall have sent through the post in a prepaid envelope addressed to a member or to the person entitled by transmission to shares registered in the name of such member at his address on the Register or the last known address given by the member or the person entitled by transmission, cheques or warrants in respect of distributions by way of dividend made by the Company and on two consecutive occasions such cheques or warrants shall not have been cashed or shall have been returned undelivered, the Company thereafter shall be entitled to withhold the issues of cheques or warrants to such member or person entitled by transmission in respect of distributions made by the Company by way of dividend. The Company shall remain liable to account to such member or person entitled by transmission for the amounts otherwise required to be distributed but for the provisions of this paragraph and shall be deemed to be his debtor, and not a trustee for him in respect of the same.

(3) Any such proceeds or amounts in respect of which the Company remains liable to account by virtue of this Article shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate accounts may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit. Such moneys shall not bear interest as against the Company.

## **WINDING UP**

174. If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of an Special Resolution, and any other sanction required by the Statutes, divide among the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like sanction, vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the members as the Liquidator, with the like sanction, shall think fit, and if thought expedient any such division may be otherwise than in accordance with the legal rights of the members of the Company, and in particular any class may be given preferential or special rights, or may be excluded altogether or in part, but in case any division, otherwise than in accordance with the legal rights of the members, shall be determined on, any member who would be prejudiced thereby shall have a right to dissent and ancillary rights, as if such determination were by Special Resolution passed pursuant to Section 582 of the 1985 Act. In no such case shall a member be compelled to accept any asset upon which there is a liability.

## **INDEMNITY**

175. (1) So far as the Companies Act 2006 allows, the Company shall be entitled to indemnify every Director, Secretary or other officer of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, and the Company shall be entitled to provide funds and to do anything which it has power to do under these Articles.
- (2) Without prejudice to paragraph (1) of this Article the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of any Relevant Company (as defined in paragraph (3) of this Article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- (3) For the purpose of paragraph (2) of this Article "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.
- (4) For the purposes of paragraphs (1) and (2) of this Article, the Directors shall notwithstanding anything in Article 131 to the contrary, be entitled to vote and be

counted in the quorum at a meeting in respect of any resolution concerning the giving of such indemnity or the purchase and maintenance of such insurance.

## **SHAREHOLDER RESOLUTIONS AND MEETINGS**

176. Save as expressly stated, the relevant provisions in these Articles concerning shareholder resolutions and meetings apply in addition, and are subject, to Part 13 of the Companies Act 2006 (“Part 13”), and in the event of any conflict between these Articles and Part 13, the latter prevails.

## **DIRECTORS’ POWER TO AUTHORISE CERTAIN CONFLICTS OF INTEREST**

177. (1) At any time the Directors may authorise any situation or matter relating to a particular Director (an “Interested Director”) to which section 175 of the Companies Act 2006 applies (each a “Conflict Matter”), subject to that section, on such terms (if any) as they think fit. Any such authorisation (a “Conflict Authorisation”) must be given in writing pursuant to a resolution of the Board. The Directors may terminate or withdraw any such authorisation (a “Conflict Authorisation”) at any time by giving notice to the Interested Director.

(2) Any terms to which a Conflict Authorisation is made subject (“Conflict Authorisation Terms”) may include (without limitation to the previous paragraph), in each case at the Directors’ discretion, that the Interested Director:

- (i) is not obliged to disclose to the Company confidential information obtained by him (other than in his capacity as its director or as its employee or agent, or if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company, where to do so would amount to a breach of a duty of confidence, previously disclosed to the Directors by the Interested Director, to any third party, and
- (ii) may absent himself from any Board discussions, and be excused from reading any Board papers, relating to the Conflict Matter concerned,

and the Company will not treat anything done, or omitted to be done, by the Interested Director in accordance with the Conflict Authorisation Terms as a breach of duty under the following sections of the Companies Act 2006 – section 172 (duty to promote the success of the Company), section 173 (duty to exercise independent judgement) and section 174 (duty to exercise reasonable care, skill and diligence). The Interested Director shall comply with all Conflict Authorisation Terms but shall not be liable, by reason only of him being a Director, to account to the Company for any benefit received by him as a consequence of the Conflict Matter concerned.

- (3) An Interested Director shall be obliged to:

- (i) disclose to the other directors the nature and extent of his interest in any Conflict Matter, such disclosure to be made as soon as reasonably practicable, and
- (ii) act in accordance with any terms, limits or conditions determined by the Directors under this Article 177.

(4) Any Conflict Authorisation given by the Directors prior to the time at which section 175 of the Companies Act 2006 comes into force shall be deemed given, for the purposes of these Articles, at such time.

# VALMONT UK HOLDINGS LIMITED

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