

Company Number 96849

**THE COMPANIES ACT 1985 (AS AMENDED)**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM AND ARTICLES OF ASSOCIATION**  
**OF**  
**LOTHIAN BUSES plc**

*Articles of Association as adopted and Memorandum of Association as amended by  
Special Resolution at the Annual General Meeting of the Company held on 17 July 2001*



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**THE COMPANIES ACT 1985 (AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**LOTHIAN BUSES plc**

- 1 The name of the Company is **LOTHIAN REGION TRANSPORT PUBLIC LIMITED COMPANY**<sup>1</sup>.
- 2 The Company is to be a public company.
- 3 The registered office of the Company will be situate in Scotland.
- 4 The objects for which the Company is established are:-
  - 4.1 to carry on the business of transportation of passengers and animate and inanimate goods by such modes and routes and generally on such terms and conditions as the Company may think fit; to carry on the business of designing, manufacturing, assembling, purchasing, selling (both wholesale and retail), hiring or leasing out and taking on hire or lease vehicles of every description parts and accessories for such vehicles; to carry on the business of garage proprietor including without prejudice to that generality, the servicing, maintaining, repairing, cleansing and statutory testing of vehicles of every description, the supply of parts and accessories for such vehicles and the provision of a recovery service for any of such vehicles as may be damaged or broken down; to carry on the business of a travel agent including, without prejudice to that generality, the provision of transportation (by whatever means), accommodation, refreshment, holiday recreation (including without prejudice to the foregoing generality sporting facilities of every description, excursions and incidents thereto) insurance (and in that connection to act as insurance broker) and any necessary reservations, tickets, vouchers and permits relative thereto for travellers, intending travellers, consignors and other customers; to carry on the business of caterers and proprietors of hotels, restaurants, public houses, cafes and tea gardens;
  - 4.2 to carry on any or all of the businesses of purchasing, selling, marketing, leasing, installing, operating, maintaining, repairing and hiring and generally dealers in and

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<sup>1</sup> The name of the Company was changed to Lothian Buses plc pursuant to Certificate of Incorporation on Change of Name dated 6 January 2000.

merchants of telecommunication apparatus (as such expression is defined in paragraph 1 of Schedule 2 to the Telecommunication Act 1984);

- 4.3 to acquire any shares, including the shares of the Company for cancellation thereof, stocks, debentures, debenture stocks, bonds, obligations, securities, life and sinking fund policies, annuities, mortgages or charges or other property (heritable or moveable, real or personal) by purchase, subscription, syndicate subscription, underwriting, tender, concession, grant, licence, lease, exchange or otherwise and to guarantee or underwrite the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership or tenure thereof as the case may be;
- 4.4 to sell, exchange, or otherwise dispose of, deal with, or turn to account, any of the shares, stocks, and others acquired or agreed to be acquired, and generally to vary the securities and investments of the Company from time to time;
- 4.5 to lend money with or without security to any parties and on such terms as may seem expedient or to make advances upon investments, to negotiate loans, to offer for public subscription or otherwise, and to assist in placing any investments and generally to advance and lend money and assets of all kinds.
- 4.6 to undertake and execute any trusts which the Company may think it expedient to undertake; and to act as agents, managers, secretaries, registrars, executors, factors or liquidators.
- 4.7 to guarantee or become liable for the payment of money or for the performance of any obligations and generally to transact all kinds of guarantee business; and to undertake obligations of every kind and description upon such terms as the Company or its Directors may consider desirable, and by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) to secure and guarantee the performance by the Company or any other company of any obligation undertaken by the Company or any other company as the case may be.
- 4.8 to receive money on deposit, loan or otherwise, upon such terms as the Company may approve; and to carry on business as bankers and financiers and to undertake and carry out all such deals and transactions as any individual may lawfully undertake and carry out.
- 4.9 to purchase, feu, take on lease or in exchange or by other means acquire and hold any feudal, freehold, leasehold or other property or lands, tenements and hereditaments and any rights, privileges, servitudes and easements over or in respect of any property, and to manage, maintain, improve, develop and turn the same to account, to expend money

in maintaining, improving or adding to the marketable value of the same or in the demolition of buildings and other erections thereon, or in the erection thereon of buildings of such a nature and for such purposes as to the Directors may seem proper, and to sell, feu, sub-divide, let or otherwise dispose of, or deal with, all or any part of any such property or rights.

- 4.10 to purchase, take on lease, acquire and use for any purposes of the Company, any machinery, stock-in-trade and other property, rights, privileges and interests (including letters patent, licences, copyrights, trade marks, secret processes, designs, goodwill and concessions), and other rights of whatever kind, real or heritable and personal or moveable or any of them; and to hold, exercise, develop, improve, sell, lease, hire, exchange, mortgage, alter, pledge or otherwise deal with or dispose of same.
- 4.11 to pay all preliminary expenses of the Company and of any company promoted or formed by the Company or of any company in which the Company or its shareholders is or are or may competently be interested.
- 4.12 to provide all requisite accommodation and facilities for the purposes of the Company.
- 4.13 to purchase, lease, or otherwise acquire or undertake the whole or any parts of the business, undertaking, property and liabilities of any person or company carrying on or authorised to carry on any business which the Company is authorised to carry on or which may be conducted so as directly or indirectly to benefit the Company or possessed of any property suitable for the purposes of the Company, or the stock, shares and debentures or other interest of or in any such company, and to amalgamate with any such company, and for the purpose of such amalgamation to transfer the undertaking of the Company to the company or companies with which it is being amalgamated or to accept the transfer to the Company of the undertaking of any such company or part thereof.
- 4.14 to pay for any purchase or acquisition in cash or by annual, perpetual or terminable payments, redeemable or irredeemable, or by bills of the Company, or by shares of the Company of any class, and whether fully paid up or partly paid up, or by debentures, debenture stock or other securities or acknowledgements of the Company or one or more of them or part of the one and part of the other or others or in any other way.
- 4.15 to borrow or raise or secure the payment of money for the purposes of the business of the Company in such manner as the Company or its Directors may think fit, and to issue bonds, debentures and debenture stock or other obligations or securities whether charged or not charged on the whole or any part of the property (present and future)

assets or revenue of the Company, or its uncalled capital or by mortgage, pledge, conveyance, bond, assignment in security or other obligations of the Company and to redeem, purchase or pay off such securities.

- 4.16 to draw, make, accept, execute, endorse, negotiate, discount, issue and deal in promissory notes, bills of exchange, drafts, warrants, cheques, mandates, coupons, bills of lading, shipping documents, dock or warehouse warrants and other negotiable or transferable documents.
- 4.17 to sell, dispose of, or transfer the business or undertaking of the Company, or any branch or part thereof or any property or assets thereof, in consideration of payment in cash or royalties or other perpetual or terminable payments, or in shares (partly or fully paid up) or debentures, debenture stock, or other securities of any other company or in one or the other or all of such modes of payment or in such manner and for such consideration as the Company may think fit.
- 4.18 to promote or concur in promoting any companies for the purpose of acquiring all or any part of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- 4.19 to enter into any partnership, arrangement for sharing of profits, union of interests, reciprocal concession or co-operation with any persons, companies or societies carrying on or about to carry on any business or branch of business which the Company is authorised to carry on or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- 4.20 to adopt such means of making known the business of and the services and facilities provided by the Company and keeping the same before the public as may seem expedient.
- 4.21 to remunerate any person, association, firm or company for services rendered or to be rendered to the Company or in or about the conduct of the Company's business, and that by cash payment or by allotment of shares or securities of the Company credited as paid up in full or in part or otherwise.
- 4.22 to grant pensions, allowances, gratuities and bonuses or other benefits or any share or interest in the profits of the Company's business or any part thereof and generally, so far as is lawful, to make voluntary or ex gratia payments either in money or moneysworth to Directors or former Directors or employees or ex-employees of the Company, or of any subsidiary, allied or associated company, or of any company or business which is acquired by the Company, or to the widows or children or other dependants of such

person, and to make or enter into arrangements for the provision of policies of life assurance or to purchase annuities for any such persons or otherwise to provide for them, and to establish and support or aid in the establishment or support of hospitals, dispensaries, places of recreation, institutions, clubs or organisations, calculated to benefit persons employed by the Company, and to support and subscribe and guarantee money to any public trade, charitable, educational, religious or other objector to any exhibition or exposition calculated to advance the interest of the Company or the persons employed by the Company or its predecessors in business or any associated or subsidiary company.

- 4.23 to distribute any of the property and assets of the Company among the members in specie (and, in particular, any shares, stocks, debentures or securities of other companies which belong to the Company or of which the Company has the right to dispose) but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- 4.24 to obtain or assist in obtaining any Provisional Order or Act of Parliament or other necessary authority or sanction for enabling the Company to carry any of its objects into effect; or for effecting any modification of the Company's constitution; and to assist in procuring alterations in the law, and to oppose any Parliamentary or other proceedings which the Company may think adverse to its interest.
- 4.25 to acquire or obtain from any government or authority, supreme, municipal, local or otherwise, or any corporation, company or person, any charters, rights, privileges and concessions which may be conducive to any of the objects of the Company, and to accept, make payments under, carry out, exercise and comply with any such charters, rights, privileges and concessions.
- 4.26 to carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or which it may be deemed advisable to undertake with a view to development, rendering valuable, prospecting or turning to account any property, real or personal, belonging to the Company, or in which the Company may be interested.
- 4.27 to do all or any of the above things and either as principals, agents, trustees or contractors and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

4.28 to do all such other things which are or which the Company may consider to be incidental or conducive to the attainment of the above objects or any of them.

Declaring that the word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any person, partnerships, or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere and also that the objects expressed in each paragraph of this clause, shall be deemed separate objects and shall (except where otherwise expressed in such paragraph) be in no ways limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

5 The liability of the members is limited.

6 The share capital of the Company is £50,000<sup>2</sup>.

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

| <b>Names, Addresses &amp; Descriptions of Subscribers</b>                          | <b>Number of Shares taken by each subscriber</b> |
|--|--|
| [Signed A Brian Dorman]  | 49,999   |
| Arthur Brian Dorman<br>Beehcote<br>Craigmaddie Road<br>Bardowie<br>Glasgow G62 6EX |  |
| [Signed A J Keatinge]  | 1  |
| Alistair John Keatinge<br>5 Comiston Place<br>Edinburgh EH10 6AF                   |  |

Dated 6 January 1986

Witness: [Signed Gerard W Kerr]

Gerard William Kerr  
11a Wardie Road  
Edinburgh

<sup>2</sup> The Share Capital of the Company was increased to £7,000,000 divided into 7,000,000 Ordinary Shares of £1 each pursuant to a Special Resolution of the Company passed on 31 March 1994

## ARTICLES OF ASSOCIATION

OF

### LOTHIAN BUSES plc<sup>3</sup>

Adopted by Special Resolution at the Annual General Meeting of the Company on 17 July 2001

#### INDEX

- 1 Preliminary**
- 1.1 Table A not to apply
- 2 Interpretation**
- 3 Share capital**
- 3.1 Nominal Share capital
- 3.2 Rights attaching to Ordinary shares
- 3.3 Rights attaching to new shares
- 3.4 Financial Assistance by Company in purchase of shares
- 4 Variation of rights**
- 4.1 Variation of class rights
- 4.2 General meetings for variation of class rights
- 4.3 No deemed variation of class rights
- 5 Alteration of share capital**
- 5.1 Increase in share capital
- 5.2 New shares subject to Articles
- 5.3 Consolidation, cancellation and sub-division of shares
- 5.4 Reduction of share capital
- 6 Shares**
- 6.1 Allotment of unissued shares
- 6.2 Allotment of unissued shares pursuant to rights
- 6.3 Rights offer notice
- 6.4 Rights offer can be partially accepted
- 6.5 Payment of commission
- 6.6 Allotment other than for cash
- 6.7 Notice of trusts
- 7 Certificates**
- 7.1 Issue of certificate
- 7.2 Surrender of certificates for re-issue
- 7.3 Certificate for balance of shares
- 7.4 Execution of Share Certificate
- 7.5 Joint holders
- 7.6 Certificates for debenture stocks and securities

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<sup>3</sup> The name of the Company was changed to Lothian Buses plc pursuant to Certificate of Incorporation on Change of Name dated 6 January 2000.



- 8 Calls on shares**
  - 8.1 Calls
  - 8.2 Time of calls
  - 8.3 Overdue calls
  - 8.4 Calls deemed duly made
  - 8.5 *Differentiation in sums called*
  
- 9 Forfeiture and lien**
  - 9.1 Forfeiture
  - 9.2 Notice of forfeiture
  - 9.3 Resolution effecting forfeiture
  - 9.4 Forfeit shares
  - 9.5 Liability on forfeit or surrendered shares
  - 9.6 Lien on shares
  - 9.7 Disposal of shares subject to lien
  - 9.8 Proceeds of disposal
  - 9.9 Declaration of lien
  
- 10 Joint holders of shares**
  - 10.1 *Joint holders*
  
- 11 Disclosure of beneficial ownership**
  - 11.1 *Director's right to information regarding beneficial ownership of shares*
  
- 12 Pre-emption rights on share transfers**
  - 12.1 *Deemed registered holder*
  - 12.2 *Prohibition on transfer*
  - 12.3 *Transfer notice*
  - 12.4 *Certification of value*
  - 12.5 *Offer to members*
  - 12.6 *Allocation of shares to members*
  - 12.7 *Completion of sale and purchase if all shares allocated*
  - 12.8 *Notice of intention of Company to purchase own shares*
  - 12.9 *Resolution for purchase of own shares by Company*
  - 12.10 *Default by member in sale of shares to Company*
  - 12.11 *Default of member at completion*
  - 12.12 *Transfer notice stating only all shares can be sold*
  - 12.13 *Member at liberty to transfer shares for 6 months*
  - 12.14 *Transfer in accordance with remaining provisions of Articles*
  - 12.15 *Waiver*
  
- 13 Transfer and transmission of shares**
  - 13.1 *Form of transfers*
  - 13.2 *Execution of transfers*
  - 13.3 *Instruments of transfer retained by the Company*
  - 13.4 *Destruction of instruments of transfer by Company*
  - 13.5 *Board may refuse transfer of certain shares*
  - 13.6 *Prohibited transferees*
  - 13.7 *Notice of refusal to register*
  - 13.8 *No registration fee*
  - 13.9 *Closing of register*
  - 13.10 *Transmission*
  - 13.11 *Registration of person entitled on transmission*
  - 13.12 *Right of person entitled on transmission*
  
- 14 Stock**
  - 14.1 *Creation of stock*

- 14.2 Transfer of stock
- 14.3 Rights of stockholders
- 14.4 Application of Articles
  
- 15 General meetings**
- 15.1 Annual general meeting
- 15.2 Extraordinary general meeting
  
- 16 Notice of general meetings**
- 16.1 Period of notice
- 16.2 Contents of notice
- 16.3 Business of general meeting
- 16.4 Notice of resolutions proposed
  
- 17 Proceedings at general meeting**
- 17.1 Quorum
- 17.2 Failure of quorum
- 17.3 Chairman
- 17.4 Adjournment
- 17.5 Voting
- 17.6 Invalid votes
- 17.7 Poll
- 17.8 Casting vote
- 17.9 Timing of poll
- 17.10 Effect of poll on other business
  
- 18 Votes of members**
- 18.1 Number of votes
- 18.2 Votes of joint holders
- 18.3 Votes of members under legal disability
- 18.4 Disenfranchisement of votes if member in arrears
- 18.5 Objections to votes
- 18.6 Member may split votes
  
- 19 Proxies**
- 19.1 Instrument appointing proxy
- 19.2 Time limit for deposit of instrument of proxy
- 19.3 Form of instrument appointing proxy
- 19.4 Revocation of appointment of proxy
  
- 20 Corporations acting by representatives**
- 20.1 Representation of corporation
  
- 21 Directors**
- 21.1 Minimum number of Directors
- 21.2 Transport Act 1985
- 21.3 Requirements of Transport Act 1985
- 21.4 Directors' attendance at general meetings
- 21.5 Directors' remuneration
- 21.6 Directors' expenses
- 21.7 Director's additional remuneration
- 21.8 Director holding additional office
- 21.9 Director holding office in another company
  
- 22 Disqualification of directors and Vacation of Office**
- 22.1 Vacation of office

**23 Managing and executive directors**

- 23.1 Appointment of managing and executive directors
- 23.2 Retirement, disqualification and removal of managing or executive directors

**24 Retirement, Removal and Appointment of Directors**

- 24.1 Executive and Non-Executive Directors
- 24.2 Retirement by rotation
- 24.3 Determination of those Directors to retire by rotation
- 24.4 Retiring Director eligible for re-election
- 24.5 Re-election of retiring Director
- 24.6 Re-election as same class of Director
- 24.7 Resolution for appointment of more than one Director
- 24.8 Eligibility for appointment as Director
- 24.9 Appointment of Director by members
- 24.10 Removal of Director by members
- 24.11 Appointment of replacement Director
- 24.12 Casual Directors
- 24.13 Age limit
- 24.14 Appointment of Non-Executive Directors for fixed term periods

**25 Proceedings of Directors**

- 25.1 Meetings of Directors
- 25.2 Meetings by conference call etc
- 25.3 Quorum
- 25.4 Directors' interests
- 25.5 Entitlement to vote despite interest
- 25.6 Resolution concerning more than one Director
- 25.7 Decision on materiality of interest
- 25.8 Suspension or relaxation of previous Articles
- 25.9 Shortage in number of Directors
- 25.10 Chairman
- 25.11 Written resolution
- 25.12 Delegation of powers to committees
- 25.13 Meetings of committees
- 25.14 Validation of Directors' Acts

**26 Borrowing powers**

- 26.1 Power of Directors to borrow

**27 General powers of Directors**

- 27.1 General powers of Directors
- 27.2 Branches
- 27.3 Local boards
- 27.4 Attorneys
- 27.5 Use of seal abroad
- 27.6 Branch register
- 27.7 Pensions
- 27.8 Negotiable instruments

**28 Secretary**

- 28.1 Secretary
- 28.2 Director who is secretary

**29 Seal**

- 29.1 Custody and use of seal

- 30 Authentication of documents**
  - 30.1 Authentication of documents
  
- 31 Dividends**
  - 31.1 Declaration of dividends
  - 31.2 Dividend payable *pro rata*
  - 31.3 Interim dividends
  - 31.4 Dividends *in specie*
  - 31.5 Share premium
  - 31.6 No dividend to bear interest
  - 31.7 Calls deductible from dividend
  - 31.8 Application of dividend on share subject to lien
  - 31.9 Unclaimed dividends
  - 31.10 Payment of dividend
  - 31.11 Dividend to joint holders
  - 31.12 Reserve accounts
  
- 32 Capitalisation of profits and reserves**
  - 32.1 Capitalisation of profits
  - 32.2 Board to implement capitalisation
  
- 33 Minutes and books**
  - 33.1 Keeping of minutes and books
  - 33.2 Keeping of registers
  - 33.3 Method of keeping registers and books
  
- 34 Accounts**
  - 34.1 Books of account
  - 34.2 Location of books and right of inspection
  - 34.3 Preparation of profit and loss accounts and balance sheets
  - 34.4 Accounts etc to be sent to members
  - 34.5 Directors not to disclose other information
  
- 35 Audit**
  - 35.1 Appointment of auditors
  
- 36 Notices**
  - 36.1 Notice to members
  - 36.2 Notice to joint holders
  - 36.3 Notices in respect of shares transmitted
  - 36.4 Notices to United Kingdom addresses only
  
- 37 Winding up**
  - 37.1 Distributions on winding up
  
- 38 Indemnity**
  - 38.1 *Indemnity*

**THE COMPANIES ACT 1985 (AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**LOTHIAN BUSES plc<sup>4</sup>**

Adopted by Special Resolution at the Annual General Meeting of the Company on 17 July 2001

**1 Preliminary**

1.1 None of the regulations contained in Table A in the Schedule to the Companies Act (Tables A to F Regulations 1985) as amended shall apply to the Company.

**2 Interpretation**

2.1 In these Articles the following words and expressions shall have the meanings hereby assigned to them unless inconsistent with the subject or context:-

2.1.1 **"the Act"** means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

2.1.2 **"these Articles"** means these Articles of Association;

2.1.3 **"Auditor"** means the auditor of the Company appointed from time to time;

2.1.4 **"the Board"** means the Directors present at a duly convened meeting of the Directors at which a quorum as provided in these Articles is present;

2.1.5 **"clear days"** means the period of days exclusive of the day upon which any act or notice is or is deemed to be done or served and the day upon which the next result of such act or to which such notice shall respectively take effect or apply;

2.1.6 **"the Directors"** means the Directors for the time being of the Company;

2.1.7 **"dividend"** means dividend and/or bonus;

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<sup>4</sup> The name of the Company was changed to Lothian Buses plc pursuant to Certificate of Incorporation on Change of Name dated 6 January 2000.

- 2.1.8 **"in writing"** means written, or produced in visible form by any substitute for writing, or partly one and partly the other;
- 2.1.9 **"month"** means calendar month;
- 2.1.10 **"Office"** means the Registered Office for the time being of the Company;
- 2.1.11 **"paid"** means paid or credited as paid;
- 2.1.12 **"the Register"** means the Register of Members of the Company required by the Act to be kept;
- 2.1.13 **"Seal"** means the Common Seal, if any, of the Company;
- 2.1.14 **"the Secretary"** means any person appointed from time to time by the Board to perform the duties of the Secretary of the Company;
- 2.1.15 **"the Statutes"** means the Act and every other statute for the time being in force concerning companies and affecting the Company;
- 2.1.16 **"Transfer Office"** means the place where the Register is situate;
- 2.1.17 **"the United Kingdom"** means Great Britain and Northern Ireland; and
- 2.1.18 **"year"** means calendar year.
- 2.2 Words importing the singular and number only include the plural number and *vice versa* and words importing the masculine gender include the feminine and *vice versa*; and words importing persons shall include corporations and companies.
- 2.3 Save as aforesaid, any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 3 Share Capital**
- 3.1 The nominal Share Capital of the Company at the date of adoption of these Articles is £7,000,000 divided into 7,000,000 Ordinary Shares of £1 each ("the Ordinary Shares");
- 3.2 The Ordinary Shares shall carry the rights and privileges and be subject to the restrictions and limitations hereinafter set out *videlicet*:
- 3.2.1 As regards income any profits available for distribution which it may be determined to distribute shall be distributed amongst the holders of the

Ordinary Shares *pro rata* according to the amounts paid up or credited as paid up on the said shares held by them.

3.2.2 As regards capital on a return of capital on a winding up of the Company or otherwise, the assets of the Company available for distribution to the members of the Company shall be distributed among the holders of the Ordinary Shares *pro rata* according to the amounts paid up or credited as paid up on the said shares held by them.

3.3 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being in issue (which special rights may be varied or abrogated only in the manner provided by Article 4 hereof) but subject to Articles 6.1 to 6.4 (inclusive) hereof, any share in the capital of the Company for the time being may be issued with such preferred, deferred or other special rights, privileges or restrictions, whether with regard to dividend, return of capital, voting or otherwise, as the Company in General Meeting may from time to time determine; and, subject to the provisions of the Statutes, the Company may issue shares which are, or at the option of the Company are liable, to be redeemed and may purchase shares in the Company.

3.4 Except to the extent permitted by the Statutes, no part of the funds of the Company shall be employed in the subscription for or purchase of or in loans upon the security of shares in the Company or in any company which is its holding company. The Company shall not (except as authorised by the Statutes) directly or indirectly give any financial assistance for the purpose of or in connection with a subscription for or purchase of such shares, nor (except as aforesaid) make any loan to any of the Directors or to any Director of any company which is its holding company or enter into any guarantee or provide any security in connection with any such loan.

#### **4 Variation of Rights**

4.1 Whenever the capital of the Company is divided into different classes of shares, the special rights, privileges or restrictions attached to any class may, subject to the provisions of the Statutes, be abrogated, varied, modified or dealt with in any manner either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of such holders (but not otherwise) and may be so abrogated, varied, modified or dealt with either whilst the Company is a going concern or during or in contemplation of a winding up.

- 4.2 The provisions of these Articles relating to General Meetings of the Company shall *mutatis mutandis* apply to every separate General Meeting called pursuant to Article 4.1 hereof and the proceedings thereat, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, or there shall only be one member holding issued shares in the class, any one of such holders who is present shall be a quorum) and that any holder of shares in the class present in person or by proxy may demand a poll.
- 4.3 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by these Articles or by the terms of issue or such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## **5 Alteration of Share Capital**

- 5.1 The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
- 5.2 All new shares shall be subject to the provisions of these Articles.
- 5.3 The Company may by Ordinary Resolution:-
- 5.3.1 Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 5.3.2 Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- 5.3.3 Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such deferred, preferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares;



- 5.4 The Company may by Special Resolution reduce its share capital or any capital redemption reserve or any share premium account, in any manner authorised by the Statutes.

## **6 Shares**

- 6.1 Unless otherwise determined by the Company in General Meeting and subject to the provisions of the Statutes, the Board may, at any time before the fifth anniversary of the date of adoption of these Articles, allot or grant the right to subscribe or convert any security into any of the shares in the capital of the Company as at the said date of adoption of these Articles for the time being unissued in accordance with this Article 6 PROVIDED always that Section 89 (1) of the Act shall not prevent, in relation to any offer of shares to members of the Company by way of rights (hereinafter referred to as "a rights offer") made pursuant to the said authority, the Board from making such exclusions or other arrangements as they may deem necessary or expedient to deal with legal or practical problems under the laws of any territory, or the requirements of any regulatory authority in any territory.
- 6.2 The Board may at any time allot any unissued shares in the capital of the Company pursuant to any rights to subscribe or convert any security into the same provided that such rights have been granted pursuant to Article 6.1 hereof and such allotment is made in accordance with the terms thereof. Save as aforesaid the Board may not on or after the fifth anniversary of the said date of adoption of these Articles allot or grant any rights to subscribe or convert any security into any unissued shares in the capital of the Company unless such allotment or grant has been authorised by the Company in General Meeting in which event the proviso in Article 6.1 shall apply to such allotment or grant *mutatis mutandis*.
- 6.3 A rights offer shall be made by notice in writing specifying the number of shares comprised therein or to which it relates and further specifying a date, being not earlier than twenty one days from the date on which it is deemed to have been served pursuant to Article 36.1 hereof, after which the offer, if not then accepted, will be deemed to have been refused.
- 6.4 A rights offer shall indicate that a member may accept in respect of a lesser number of shares than those comprised in the rights offer or to which it relates and may also, should the Board so determine, be stated to be renounceable in favour of any other person or persons.

- 6.5 The Company may exercise the powers of paying commission on the issue of shares conferred by the Statutes, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes, and that the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect of which the commission is paid are issued, or an amount equal to 10 per cent of such price (as the case may be). Subject to the Statutes such commission may be satisfied in whole or in part by the allotment (if so agreed) of fully or partly paid shares. The Company may also on any issue of shares pay such brokerage as may be permitted by the Statutes.
- 6.6 Subject to the provisions of these Articles and to the Statutes the Board may, if it thinks fit, allot any shares, whether fully or partly paid up as the whole or part of the consideration for any purchase, contract, or other transaction made or entered into by or on behalf of the Company.
- 6.7 The Company shall be entitled, but shall not be bound, to accept and, in case of acceptance, shall record in such manner as it may think fit, notices of any trust or trusts in respect of any of the shares in the Company. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive, in respect of any shares in the Company, and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were the absolute owners thereof. For the purpose of this Article "trust" includes any right in respect of any shares in the Company, other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as are hereinafter mentioned.

## **7 Certificates**

- 7.1 Every person other than a stock exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate, whose name is entered as a member in the register shall be entitled, without payment, to receive within two months after allotment or lodgement of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class.
- 7.2 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu thereof two or more share certificates representing such shares in such proportions as he may specify, the Board may, if they think fit, comply with such request.

- 7.3 Where a member has sold part of the shares comprised in his holding, he shall be entitled to a certificate for the balance without charge.
- 7.4 Every certificate shall be issued under the Seal, or executed by two Directors of the Company or a Director and the Secretary.
- 7.5 The Company shall not be bound to register more than four persons as the joint holders of any share 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 any one of such persons shall be sufficient delivery to all. If a share certificate be defaced, lost or destroyed, it may be replaced on such terms (if any) as to evidence and indemnity and the payment of out of pocket expenses of the Company in investigating evidence as the Board think fit.
- 7.6 The previous provisions of this Article 7 hereof shall apply to debentures and certificates of debenture stocks and any other securities comprised in the capital of the Company and that with all the necessary modifications and adaptations and subject always to the trust deed or other instrument constituting such securities, if any.

## **8 Calls on shares**

- 8.1 The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times, and each member shall (subject to receiving at least twenty eight clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
- 8.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and may be made payable by instalments.
- 8.3 If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Board determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
- 8.4 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of these Articles be deemed to be a call duly made and

payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply, as if such sum had become payable by virtue of a call duly made and notified.

- 8.5 The Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid, and the time of payment.

## **9 Forfeiture and Lien**

- 9.1 If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.
- 9.2 Such notice shall name a further date (being not fewer than seven clear days after the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the share on which the call was made will be liable to forfeiture.
- 9.3 If the requirements for any such notice as aforesaid are not complied with, any amount in respect of which such notice has been given may at any time thereafter before payment of all calls and interest and expenses due in respect thereof has been made, be declared forfeit by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Board may accept a surrender of any share liable to forfeiture hereunder.
- 9.4 A share so forfeit or surrendered shall become the property of the Company and subject always to the provisions of these Articles and to the Statutes may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Board shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Board think fit. The Board may, if necessary, authorise some person to transfer a forfeit or surrendered share to any such other person as aforesaid.
- 9.5 A holder of a share which is forfeit or surrendered shall cease to be a member in respect of such share, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such share with interest thereon at 15 per

cent per annum (or such lower rate as the Board may approve) from the date of forfeiture or surrender until payment, but the Board may waive payment of such interest either wholly or in part and the Board may enforce payment without any allowance for the value, if any, of the share at the time of forfeiture or surrender.

9.6 The Company shall have a first and paramount lien on:

9.6.1 every share (not being a fully paid share) for all moneys whether presently payable or not, called or payable at a fixed time in respect of such share; and

9.6.2 all shares (other than fully paid shares) standing registered in the name of a member for all the debts and liabilities of such member or his estate to the Company;

whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Board may resolve that any share shall for some specified period be wholly or in part exempt from the provisions of this Article 9.6.

9.7 The Company may sell in such manner as the Board think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen clear days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

9.8 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser or such person as the purchaser may direct.

9.9 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts

therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase moneys (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **10 Joint Holders of Shares**

- 10.1 Where two or more persons are registered as the holders of any share, whether as executors, trustees or otherwise they shall be deemed joint holders, and the following provisions shall apply as well as the other provisions of these Articles:-
- 10.1.1 the Company shall not be bound to register more than four persons as the joint holders of any share;
  - 10.1.2 the joint holders of any share shall be liable jointly and severally in respect of all payments due to be made in respect of such share;
  - 10.1.3 on the death of any joint holder the survivors or survivor shall be the only persons or person recognised by the Company as having any title to or interest in such share but the Board may require such evidence of death as they may deem fit;
  - 10.1.4 any one joint holder may give an effectual receipt for any dividend or return of capital payable on such joint holders;
  - 10.1.5 only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to delivery of the Certificate relating to such share, or to receive notices from the Company; and
  - 10.1.6 with respect to any share entitling the holder thereof to vote at a meeting, any one of such joint holders may vote at any meeting either personally or by proxy in respect of such share as if he solely were entitled thereto and, except as after stated, if more than one of such joint holders be present at any meeting, either personally or by proxy, that one of the said persons whose name stands first in the Register in respect of such joint share shall alone be

entitled to vote in respect thereof in the absence of a proxy signed by not fewer than one-half in number of them.

## **11 Disclosure of Beneficial Ownership**

11.1 The Directors may at any time require any person whose name is entered in the Register to furnish them with any information which they consider necessary for the purpose of determining the beneficial ownership of the shares (or any of them) in respect of which such person is registered, together with such evidence as the Directors may in their sole discretion require, and if such requirements are not complied with within fourteen days of a written request therefor being made by the Directors:

11.1.1 all shares in respect of which such person is registered as aforesaid shall *ipso facto* be disenfranchised and shall remain so for so long as the Directors may determine or, if earlier, until such date as the Directors may determine or, if earlier, until such date as the Directors have been furnished with all information and evidence required by them for the purposes of this Article, and

11.1.2 the Directors may for such period as is referred to in Article 11.1.1 hereof, withhold any dividends or other payments otherwise due or becoming due in respect of such shares.

## **12 Pre-emption Rights on Share Transfers**

12.1 For the purposes of this Article 12, where any person is unconditionally entitled to be registered as the holder of a share he and not the registered holder of such share shall be deemed to be a member of the Company in respect of that share.

12.2 No share in the Company shall be transferred save in accordance with the provisions of this Article 12.

12.3 Every member who desires to transfer any share or shares (hereinafter called "the vendor") shall give to the Company notice in writing of such desire (hereinafter called "a transfer notice") and shall at the same time deposit with the Company the share certificate(s) in respect of such share or shares. Subject as hereinafter mentioned, a transfer notice shall constitute the Company the vendor's agent for the sale of the share or shares specified therein (hereinafter called "the transfer shares") in one or more lots at the discretion of the Directors to the members other than the vendor and/or to the Company at a price to be agreed upon by the vendor and the Directors, or, in case of difference, at the price which the Auditor shall certify to be in his opinion the fair value thereof as between a willing seller and a willing buyer.

- 12.4 If the Auditor is asked to certify the fair value as aforesaid, the Company shall, as soon as it receives the auditor's certificate, provide a certified copy thereof to the vendor and the vendor shall be entitled, by notice in writing given to the Company within ten days of the service upon him of the certified copy, to cancel the Company's authority to sell the transfer shares. Except as provided for in this Article 12.4 the authority conferred on the Company to act as the vendor's agent for the sale of the transfer shares shall be irrevocable. The cost of obtaining the certificate shall be borne by the Company unless the vendor shall give notice of cancellation as aforesaid in which case the cost shall be borne by the vendor.
- 12.5 Upon the price being fixed as aforesaid and provided the vendor shall not have given notice of cancellation as aforesaid the Company shall forthwith by notice in writing inform each member other than the vendor of the number and price of the transfer shares and invite each such member to apply in writing to the Company within forty-two days of the date of despatch of the notice (which date shall be specified therein) for such maximum number of the transfer shares (being all or any thereof) as he shall specify in such application.
- 12.6 If the said members shall within the said period of forty-two days apply for all or any of the transfer shares, the Directors shall allocate the transfer shares (or so many of them as shall be applied for as aforesaid) to or amongst the applicants and in case of competition pro rata (as nearly as possible) according to the number of shares in the Company of which the applicants are registered or unconditionally entitled to be registered as holders, provided that no applicant shall be obliged to take more than the maximum number of shares specified by him as aforesaid; and the Company shall forthwith give notice of such allocations even if there shall be no such allocations (hereinafter called an "allocation notice") to the vendor and to the persons, if any, to whom the shares have been allocated.
- 12.7 If all the transfer shares are subject to the allocation notice, said notice shall specify the place and time (being not earlier than fourteen and not later than forty-two days after the date of the notice) at which the purchase of the shares so allocated shall be completed and the provisions of Article 12.11 shall apply.
- 12.8 If there shall be any transfer shares not allocated by the Directors in an allocation notice the Directors may within a period of fourteen days from the date of despatch of the allocation notice give notice in writing to the vendor informing the vendor that they intend that the Company will purchase some or all of the balance of the transfer shares following allocation.



- 12.9 Where the vendor has been given notice in writing in accordance with Article 12.8, the Directors shall convene as soon as reasonably practicable thereafter (and in any event within forty-two days of giving notice) a general meeting of the Company in accordance with Section 164 of the Act for the purpose of considering, and if thought fit, passing a special resolution to authorise the terms of a contract for the purchase by the Company of the shares which were the subject of the said notice at either the price agreed between the vendor and the Directors or at the Auditor's valuation (as appropriate). If such a resolution is passed and the Company is able and willing to purchase the said shares in accordance with the provisions of the Act, the vendor shall subject to Article 12.12 be bound to accept an offer by the Company in terms of the contract so authorised provided that the said contract provides for completion of the purchase of the said shares and payment of the purchase price therefor on a specified date falling not later than three months after the date upon which notice was given by the Directors pursuant to Article 12.8, and at a specified place. Notice shall be given by the Company to any member to whom shares have been allocated under Article 12.6 of said specified date and place and the sale of the shares so allocated shall complete on said date and at said place.
- 12.10 If the vendor after having become bound to accept an offer by the Company in terms of Article 12.9 makes default in accepting the offer by the Company, the Chairman of the Company or some other person appointed by the Directors shall have full power to execute, complete and deliver, in the name and on behalf of the vendor, by way of acceptance the said contract so authorised.
- 12.11 Subject to Article 12.12 the vendor shall be bound to transfer the shares comprised in an allocation notice and/or subject to a contract with the Company to the purchasers named therein and/or to the Company at the time and place notified to him in terms of Article 12.7 or 12.9 as the case may be. If he shall fail to do so, the Chairman of the Company or some other person appointed by the Directors shall have full power to execute, complete and deliver, in the name and on behalf of the vendor, transfers of the shares to the purchasers thereof against payment of the price into a separate bank account in the Company's name to be held in trust for the vendor. On payment of the price in this manner, the purchaser shall be deemed to have obtained a good quittance for such payment and on execution and delivery of the transfer the purchaser shall be entitled to insist upon his name being entered in the register of members as the holder by transfer of the shares.
- 12.12 A transfer notice may stipulate that unless all the shares specified therein are applied for pursuant to Article 12.5 and/or contracted for pursuant to Article 12.9 none shall be sold, and if the transfer notice does so provide, and if some of the transfer shares are not so

applied for and/or any sale to the Company of any of the transfer shares has not been effected within 3 months from the date upon which notice was given by the Directors pursuant to Article 12.8, the Directors shall forthwith on expiration of the said 3 month period return the share certificate in respect of the transfer shares to the vendor and advise any members who had made application therefor. For the avoidance of doubt if the share certificate is returned to the vendor under this Article 12.12 he shall not be at liberty to transfer his shares under Article 12.13.

12.13 During the six months following the earlier of:

12.13.1 the expiry of the period of fourteen days referred to in paragraph 12.8 in the event that the Directors do not give notice under that paragraph of their intention for the Company to purchase any of the transfer shares; or

12.13.2 the expiry of the three month period specified in paragraph 12.9 in the event that the purchase of any of the transfer shares under said paragraph has not completed by the end of said period;

the vendor shall be at liberty to transfer to any persons and at any price (not being less than the price agreed or fixed under Article 12.3) any share not allocated by the Directors or purchased by the Company in accordance with the previous provisions of this Article, provided that, if the vendor stipulated in his transfer notice the condition referred to in Article 12.12, the vendor shall not be entitled to sell hereunder a lesser number of shares than the number specified in his transfer notice.

12.14 Any transfer under Article 12.13 must be in accordance with the remaining provisions of these Articles.

12.15 *With the consent in writing of all the members for the time being the preceding provisions of this Article 12 may be waived in whole or in part in any particular case.*

### **13 Transfer and transmission of Shares**

13.1 Every transfer of a share (not being a fully paid share) must be on an instrument of transfer to be provided by the Company to a member on request without charge; all other transfers of shares must be in common form or any other form acceptable to the Board. All transfers of shares must be lodged at the Transfer Office, accompanied by the Certificate of the shares to be transferred, and such other evidence as the Board may require to prove the title of the intending transferor or his right to transfer the share.

- 13.2 The instrument of transfer of a share shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
- 13.3 Subject to Article 13.4, every instrument or transfer which shall be registered shall be retained by the Company.
- 13.4 Subject as hereinafter provided, the Company shall be entitled to destroy all instruments of transfer of shares of the Company which shall have been registered at any time after the expiration of twelve years from the date of registration thereof and all registered share certificates and dividend mandates which have been cancelled or ceased to have effect at any time after the expiration of three years from the date of cancellation or cessation thereof and all notifications of change of name or address after the expiration of one year from the date of recording thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share warrant, coupon or share certificate so destroyed was a valid and effective document duly and properly cancelled and every 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:-
- 13.4.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto to whom the document might be relevant);
- 13.4.2 nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of Article 13.4.1 above are not fulfilled;
- 13.4.3 references herein to the destruction of any document include references to the disposal thereof in any manner.
- 13.5 The Board may, in their absolute discretion and without assigning any reason, decline to register any transfer of any share of any class not fully paid up. The Board may also refuse to register any transfer of any share of any class on which the Company has a lien.
- 13.6 No share shall be transferred to any person not of full age or to a person who is insolvent or of unsound mind, but the Company shall not incur any responsibility or liability in the

event of any such transfer being inadvertently accepted and the name of the transferee being entered in the Register.

- 13.7 If the Board refuse to register a transfer of any share they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal and any transfer which the Board may decline to register shall on demand be returned to the person lodging the same.
- 13.8 No fee will be charged by the Company in respect of the registration of any instrument of transfer or any other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.
- 13.9 The Register may be closed during such time as the Board may think fit, not exceeding in the whole thirty days in each year.
- 13.10 In case of the death of a shareholder the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons or person 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.
- 13.11 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may (subject as hereinafter provided) upon producing such evidence of his title as the Board think sufficient, either be registered himself as holder of the share upon making a written request to the Company to that effect, or transfer the share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such request or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the request or transfer were a transfer executed by such a member.
- 13.12 A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, or, save as otherwise provided by or in accordance with these Articles, to any of the rights or privileges of a member until he shall have become a member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a member in respect thereof within sixty days of being required so to do by the Board, he shall in the

case of a share which is fully paid up be deemed to have claimed to be registered as a member in respect thereof and may be registered accordingly.

## **14 Stock**

- 14.1 The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.
- 14.2 The holders of stock may transfer the same or any part thereof as near as circumstances admit in the same manner as and subject to the same provisions as would have applied to the shares from which the stock arose, but no stock shall be transferable except in such units as the Board may from time to time determine, provided that such units shall not be greater than the nominal amount of the shares from which the stock arose.
- 14.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose; but no such right, privilege or advantage (except as regards participation in dividends and in assets on a winding up) shall be conferred by and any such aliquot part of stock as would not, if existing in shares, have conferred such right, privilege or advantage.
- 14.4 All such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

## **15 General meetings**

- 15.1 An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Board, and shall be specified as such in the Notice by which it is convened. All other General Meetings shall be called Extraordinary General Meetings.
- 15.2 The Board may, whenever they think fit, convene an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act or otherwise in the Statutes.

## **16 Notice of General Meetings**

- 16.1 An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to consider a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by not less than twenty-one clear days' notice in writing and any other Extraordinary General Meeting by not less than fourteen clear days' notice in writing. A Meeting shall, notwithstanding that it has been called by a shorter notice than that specified above, be deemed to have been duly called if it is so agreed by the members (or a proportion of them) all as provided in the Statutes. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any General Meeting.
- 16.2 Every notice calling a General Meeting shall specify the place and the day and the hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member of the Company. In the case of any General Meeting at which special business (as hereinafter defined) is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution or as an Extraordinary Resolution the notice shall contain a statement to that effect and set out the resolution or resolutions.
- 16.3 All business shall be deemed special that is transacted at any Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the following or as may be provided in the Statutes:-
- 16.3.1 declaring Dividends;
  - 16.3.2 consideration the reports of the Directors and Auditor and the accounts and other documents required to be submitted;
  - 16.3.3 appointing the Auditors and/or fixing the remuneration of the Auditor and determining the manner in which such remuneration is to be fixed; and
  - 16.3.4 appointing the Directors in the place of those retiring and fixing the remuneration of the Directors in accordance with Article 21.5 hereof.
- 16.4 The Board shall, on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided, give to the members entitled to receive notice of an Annual General Meeting notice of any resolution which may properly be moved and

is intended to be moved at that meeting and circulate to the members entitled to have notice of any General Meeting any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting as may be required by the Statutes.

## **17 Proceedings at General Meetings**

- 17.1 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided in these Articles two members present in person and entitled to vote at the meeting shall be a quorum for all purposes.
- 17.2 If within ten minutes from the time appointed for the meeting (or such longer time as the Chairman of the meeting may allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, and at such other time and place as the Chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within ten minutes from the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.
- 17.3 The Chairman (if any) or in his absence the Deputy-Chairman (if any) of the Board shall preside as Chairman at every General Meeting. If there be no such Chairman or Deputy-Chairman or if at any meeting neither be present within ten minutes after the time appointed for holding the meeting or be willing to act as Chairman, the members present shall choose some Director or, if no Director be present or if all the Directors present decline to take the chair, they shall choose another person present, being a member or proxy for a member, to be Chairman.
- 17.4 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, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting which was adjourned. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 17.5 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of

hands) demanded by the Chairman of the meeting or by not fewer than two persons present in person or by proxy and entitled to vote or by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or 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. A demand for a poll may be withdrawn. Unless a poll be demanded (and the demand be not withdrawn) a declaration by the Chairman of the meeting that a resolution has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

- 17.6 If any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the resolution unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman of the meeting be of such magnitude as to make it right and proper that the resolution be deemed inconclusive or invalid.
- 17.7 If a poll is duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman of the meeting may (and if so requested shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 17.8 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- 17.9 A poll demanded on the election of a Chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman of the meeting may direct. No notice need be given of a poll not taken immediately.
- 17.10 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which the poll has been demanded.



## **18 Votes of Members**

- 18.1 Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote in respect of each share of which he is the holder.
- 18.2 Joint holders of a share entitling the holder thereof to vote at a meeting, shall be entitled to vote as provided in Article 10 hereof.
- 18.3 Any member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder or being a minor or otherwise under any legal disability may vote by his enduring Power of Attorney, curator, tutor, committee, judicial factor, curator bonis or other legal curator, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Transfer Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the vote is tendered.
- 18.4 No member shall, unless the Board otherwise determine, be entitled to vote at a General Meeting either personally or by proxy or to exercise any privilege as a member, so long as any call or other sum presently payable by him in respect of shares in the Company remains unpaid.
- 18.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
- 18.6 On a poll, votes may be given either personally or by proxy, and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

## **19 Proxies**

- 19.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either the common seal or under the hand of an officer or attorney duly authorised. A person appointed to act as a proxy need not be a member of the Company. The Board may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

- 19.2 The instrument appointing a proxy shall be deposited at the Transfer Office (or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll, at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- 19.3 An instrument appointing a proxy may be in common form or in such other form as the Board shall prescribe or accept, and shall be deemed to include the right to demand or join in demanding a poll. An instrument appointing a proxy, whether in common form or not, shall unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, and need not be witnessed.
- 19.4 A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Transfer Office before the commencement of 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.

## **20 Corporations acting by representatives**

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

## **21 Directors**

- 21.1 Subject as is hereinafter provided, the Directors shall not be fewer than three in number.
- 21.2 The Company shall comply with the requirements of the Transport Act 1985 and Statutory Instruments made thereunder including any statutory modification or re-enactment thereof for the time being in force as regards the prescribed numbers and categories of Directors of the Company.

- 21.3 For as long as the requirements imposed by the Transport Act 1985 and Statutory Instruments remain unchanged from their form and status as at the date of adoption of these Articles:
- 21.3.1 The company shall not, at any one time, have more than 7 Directors who are not full-time employees of the Company; and
- 21.3.2 The company shall at all times have at least 3 Directors who are full-time employees of the Company holding positions of responsibility for the management of the Company's business or any part of it.
- 21.4 A Director shall not require a share qualification, but nevertheless shall be entitled to attend and speak at any General Meeting of the Company or at any separate General Meeting of the holders of any class of share in the Company but not to vote unless entitled as a member to do so.
- 21.5 In addition to any salary or other remuneration which may be paid to the Directors, or any of them, under the other provisions of these Articles, the remuneration of the Directors for their services as Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day, and shall be divisible among the Directors, in such proportion and manner as the Directors may determine, and in default of determination, equally.
- 21.6 The Directors shall be entitled to repayment of all expenses properly incurred in attending meetings of the Directors, or of committees of the Directors, or General Meetings, or otherwise incurred in or about the business of the Company.
- 21.7 Any Director appointed to any executive office or to the offices of Chairman or Deputy Chairman or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as the Directors may determine.
- 21.8 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) and he or any firm of which he is a member may act in a professional capacity for the Company, for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company, either with regard thereto or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account

to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established.

- 21.9 A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and, unless the Board shall otherwise determine, no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company.

## **22 Disqualification of Directors and Vacation of Office**

- 22.1 The office of a Director shall *ipso facto* be vacated in any of the following events, namely:-

- 22.1.1 if he becomes prohibited by law from acting as a Director; or
- 22.1.2 if (subject to any agreement between him and the Company) he resigns by writing under his hand left at the Office; or
- 22.1.3 if he becomes bankrupt or insolvent or makes any arrangement or composition with his creditors; or
- 22.1.4 if he is found lunatic or becomes of unsound mind; or
- 22.1.5 if he is absent without leave from the meetings of the Directors for a continuous period of six months and the Directors thereafter resolve that his office be vacated;
- 22.1.6 if he is removed from office as provided in Article 24.9;
- 22.1.7 if he is removed from office as provided in Article 24.10; or
- 22.1.8 in the case of a Non-Executive Director, when any fixed term period for which he is appointed comes to an end.

## **23 Managing and Executive Directors**

- 23.1 The Board may from time to time appoint any one or more of the Directors to be Managing Director or to be the holder of any other executive office for such period (subject to Article 23.2 hereof and to the Statutes) and upon such terms as to remuneration and otherwise and may vest in such Director or Directors such of the powers vested in the Board all as they may think fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such

restrictions as the Board may determine and, subject to any existing contract, the Board may from time to time revoke, withdraw, alter or vary all or any of such powers or any of the other terms of such appointment. The remuneration of a Managing Director or a Director appointed to any other executive office under this Article may be by way of salary or commission or participation in profits or by any or all of these modes or otherwise as may be arranged.

- 23.2 A Managing Director or a Director appointed to any other executive office shall be subject to the same provisions as to retirement, disqualification and removal as the other Directors and if he ceases to hold the office of Director he shall ipso facto and immediately, cease to be a Managing Director or to hold any other executive office as the case may be, but without prejudice to any claim which he may have for damages for breach of contract between him and the Company.

## **24 Retirement, Removal and Appointment of Directors**

- 24.1 There shall be two categories of Directors, referred to as Executive Directors and Non-Executive Directors. For the avoidance of doubt, as at the date of adoption of these Articles, Neil Renilson, William Devlin, William Campbell and Norman Strachan are the *Executive Directors, with the remaining Directors being Non Executive Directors.*
- 24.2 Subject to the remaining provisions of this Article 24, at each Annual General Meeting of the Company one-third of the Directors, or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting, provided that, if the meeting is adjourned without election to his office being made, then he shall retain office until the close of the adjourned meeting.
- 24.3 The Directors to retire in every year shall be those who have been longest in office since their last election or appointment, but as between persons who become or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 24.4 A retiring Director shall, subject to the provisions of the Statutes, be eligible for re-election.
- 24.5 The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-

election of such Director is put to the meeting and lost, or such Director has given notice in writing to the Company that he is unwilling to be re-elected.

- 24.6 Unless the Company shall resolve otherwise, the re-election (whether deemed or otherwise) of any Director following his retirement at Annual General Meeting by rotation or pursuant to Article 24.12, shall be as an Executive Director if the retiring Director was an Executive Director prior to his retirement, or as a Non-Executive Director if he was a Non-Executive Director prior to his retirement.
- 24.7 Except as otherwise provided by the Statutes, a single resolution for the appointment of two or more persons as Directors shall not be moved at any General Meeting unless it has first been agreed by the meeting without dissension to consider such resolution, and any resolution moved in contravention of this provision shall be void.
- 24.8 No person shall be eligible for appointment as a Director at any General Meeting other than a Director retiring at the meeting, unless recommended by the Directors for election or unless special notice has been given of a resolution to appoint that person as a Director in place of a Director intended to be removed by Ordinary Resolution pursuant to the next following Article, or unless not fewer than six nor more than forty-two clear days before the day appointed for the meeting there shall have been left at the Office notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.
- 24.9 The holders of more than one half of the equity share capital of the Company shall be entitled at any time and from time to time by notice in writing to the Secretary of the Company to appoint any person to be a Director of the Company as a Non-Executive Director and by like notice to remove any of the Directors so appointed and at any time or times by like notice to appoint any other person to be a Director in place of the Director so removed or in place of any Director who has died or vacated office in any way and who was originally appointed by them.
- 24.10 The Company may by Ordinary Resolution of which special notice has been given remove any Director before the expiration of his period of office notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement.

- 24.11 The Company may by an Ordinary Resolution, of which special notice has been given, appoint another person as an Executive Director in place of an Executive Director, removed from office under the last preceding Article, or as a Non-Executive Director in place of a Non-Executive Director so removed. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.
- 24.12 The Board shall have power at any time and from time to time to appoint any person to be an Executive Director or a Non-Executive Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) from time to time fixed by or in accordance with these Articles and that any Director so appointed shall retire at the next Annual General Meeting but shall then be eligible for re-election. Any Director so appointed shall not be taken into account in determining the Directors to retire by rotation at the meeting, or the number to so retire, in accordance with the previous provisions of this Article 24.
- 24.13 No person shall be appointed or re-appointed as a Director of the Company if, at the time of his proposed appointment or re-appointment, he has attained the age of seventy, other than by a resolution of which special notice has been given passed at a General Meeting at which his age is disclosed.
- 24.14 For the avoidance of doubt, a Director may be appointed or elected as a Non-Executive Director for a fixed term period. A Director so appointed shall, during the fixed term period, not be taken into account in determining the Directors to retire by rotation at Annual General Meetings of the Company, nor the number to so retire in accordance with the previous provisions of this Article 24, but such appointment shall be without prejudice to any right provided in these Articles or the Statutes to remove such a Director.

## **25 Proceedings of Directors**

- 25.1 The Directors shall meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
- 25.2 A meeting of the Directors may be held either in person, or by conference telephone call or other suitable means agreed between the Directors in which all participants may communicate simultaneously with all other participants. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take

place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the Chairman of the meeting is. The word "meeting" when referring to a meeting of the Directors in these Articles shall be construed accordingly.

- 25.3 The quorum necessary for the transaction of the business of the Directors may be fixed by the Board, and unless so fixed at any other number shall be three. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 25.4 Save as herein provided, a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest in accordance with the provisions of the Statutes and shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- 25.5 Notwithstanding Article 25.4, a Director shall (in the absence of some other material interest that is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-
- 25.5.1 the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- 25.5.2 the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving of security;
- 25.5.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- 25.5.4 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 of or beneficially interested in one per cent or more of any class of the equity share capital 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 (and such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

- 25.5.5 any proposal concerning the adopting, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Inland Revenue for taxation purposes.
- 25.6 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the proviso to Article 25.5.4) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 25.7 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting (or if the question concerns the Chairman such Director present at the meeting as the other Directors at the meeting may elect) and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed;
- 25.8 The Company may by Ordinary Resolution suspend or relax the provisions of Articles 25.4 to 25.7 (inclusive) to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
- 25.9 The continuing Directors may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act then any two members may summon a General Meeting for the purpose of appointing Directors.
- 25.10 The Directors may elect a Chairman and a Deputy Chairman of their meetings and determine the period for which they are to hold office. If no Chairman or Deputy Chairman shall have been elected, or if at any meeting neither the Chairman nor the

Deputy Chairman (if any) be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

- 25.11 A resolution in writing signed by all the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors.
- 25.12 The Board 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 be imposed on them by the Board.
- 25.13 The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
- 25.14 All acts done by the Board, or by a committee of the Board or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of or continuance in office of any 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 and was qualified and had continued to be a Director and had been entitled to vote.

## **26 Borrowing powers**

- 26.1 The Directors shall be entitled to borrow or raise money themselves or from others for the purposes of the business of the Company in such manner whether secured or unsecured and to such extent as they think fit, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

## **27 General powers of Directors**

- 27.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not by these Articles or by the Statutes required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of these Articles and of the Statutes, and to such regulations, being not inconsistent with the

aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

27.2 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and they may on behalf of the Company:

27.2.1 make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities; and

27.2.2 appoint any persons (whether members of their own body or not) to act as directors, executive directors or managers of any such company or any other company in which the Company may be interested and remove any such persons, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed.

27.3 The Board may establish Local Boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such Local Boards, or any managers or agents, and may fix their remuneration, and may delegate to any Local Board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any Local Boards, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board 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.

27.4 The Board may from time to time and at any time by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such periods 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 Board may think fit, and may also authorise any such attorney to sub-delegate all or any of such powers, authorities and discretions as they may specify.

- 27.5 The Company may exercise the powers conferred by the Statutes with regard to having a Securities Seal and an official seal for use abroad and such powers shall be vested in the Board.
- 27.6 The Company, or the Board on behalf of the Company, may cause to be kept in any territory outside the United Kingdom in which the Company transacts business, a branch register or registers of members resident in such territory and the Board may (subject to the provisions of the Statutes) make and vary such regulations, as they may think fit, respecting the keeping of any such register.
- 27.7 Without restricting the generality of the powers conferred on the Directors, the Board may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary company and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).
- 27.8 Cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and receipts for moneys paid to the Company shall, where necessary, be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

## **28 Secretary**

- 28.1 The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.
- 28.2 Any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

## **29 The Seal**

- 29.1 The Directors shall provide for the safe custody of the Seal (if any) and the Seal shall only be used by the authority of the Board or of a committee of the Directors authorised by the Board *in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or a second Director.*

## **30 Authentication of documents**

- 30.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) 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 officers of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

## **31 Dividends**

- 31.1 The Company may, to the extent permitted by the Statutes, by Ordinary Resolution declare dividends but no dividend shall be payable in excess of the amount recommended by the Board.
- 31.2 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, provided that for the purposes of this Article no account shall be taken of any amount paid up on a share in advance of a call therefor. All dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- 31.3 To the extent permitted by the Statutes and so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the dividends on any class of shares carrying a right to dividend expressed to be payable on fixed dates prescribed for the payment thereof by the terms of issue of the shares and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit.

- 31.4 Any General Meeting declaring a dividend may direct payment of such dividend wholly or partly 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 Board shall give effect to such resolution, and where any difficulty arises with regard to such distribution, the Board may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.
- 31.5 If the Company shall issue shares at a premium, whether for cash or otherwise, the Directors shall transfer a sum equal to the aggregate amount or value of the premiums to an account to be called "the Share Premium Account" and any amount for the time being standing to the credit of such account shall not be applied in the payment of dividends but shall (except as otherwise authorised by the Statutes) be treated as if it were paid up share capital of the Company.
- 31.6 No dividend shall bear interest against the Company.
- 31.7 The Board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 31.8 The Board may retain any dividends payable on shares 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.
- 31.9 The payment by the Board of any unclaimed dividend 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 forfeit and shall revert to the Company.
- 31.10 Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder or otherwise by operation of law, to any one of such persons, or to such person and such address as such member, person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the persons to whom it is sent or to such person as

the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law may direct and payment of the cheque or warrant in accordance with the provisions of the Cheques Act 1957, or if endorsed or if purporting to be endorsed by the payee, shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the moneys represented thereby.

- 31.11 If several persons are registered as joint holders of any share or are entitled to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- 31.12 The Board may, before recommending any dividend whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

## **32 Capitalisation of profits and reserves**

- 32.1 The Company in General Meeting may, upon the recommendation of the Board, by Ordinary Resolution determine that any sum not required for the payment of or provision for any fixed preferential dividend and:

(a) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, or

(b) being undivided net profits in the hands of the Company,

be capitalised and accordingly that the Board be authorised and directed to appropriate such sum as capital to and amongst the members holding Ordinary Shares in the proportions in which such sum would have been divisible amongst them had the same been applied in paying dividends, and to apply such sum on their behalf in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares, debentures or securities of the Company of a nominal amount equal to the sum resolved to be allotted and

distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid, or otherwise as the resolution may direct, provided however that

(a) sums standing to the credit of a share premium account or a capital redemption reserve fund may only be applied hereunder in the paying up of unissued shares to be issued to members as fully paid shares; and

(b) no sum which cannot pursuant to the Statutes or to these Articles be distributed by the Company by way of dividend may be applied hereunder other than in the paying up of unissued irredeemable shares to be issued to members as fully paid shares.

32.2 Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the sum resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares, debentures or securities becoming distributable in fractions, and also to authorise any person on behalf of all members interested to enter into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, 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 sum 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.

### **33 Minutes and books**

33.1 The Directors shall cause Minutes to be made in books to be provided for the purpose of all appointments of officers made by the Board, of the names of the Directors present at each meeting of the Board and of any committee of the Board, of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Board and of any committee of the Board. Any such Minutes if signed by the Chairman of the meeting to which they relate or at which they are read, shall be received as *prima facie* evidence of the facts therein stated.

33.2 The Directors shall duly comply with the provisions of the Statutes and in particular the provisions with regard to registration of charges created by or affecting property of the Company, with regard to keeping the Register, a register of Directors and Secretaries, a



register of Mortgages and Charges, a register of Directors' share and debenture holdings and all other registers which the Company is required by the Statutes to keep, and with regard to the production and furnishing of copies of such registers and of any register of holders of debentures of the Company.

- 33.3 Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner including that permitted by Section 723 of the Act. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

#### **34 Accounts**

- 34.1 The Directors shall cause to be kept such books of account as are necessary to comply with the provisions of the Statutes.
- 34.2 The books of account shall be kept at the Office or (subject to the provisions of the Statutes) at such other place as the Board think fit and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or authorised by the Board or by Ordinary Resolution of the Company.
- 34.3 The Board shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts and reports as may be necessary.
- 34.4 A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto), together with a copy of every report of the Auditors relating thereto and of the Directors' report, shall not fewer than twenty-one clear days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles (provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of several joint holders, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on an application in writing to the Secretary at the Office), and the required number of copies of each of these documents shall at the same time be

forwarded to the Secretary of the Stock Exchange in a list of which any of the Company's shares may at the request of the Company be quoted.

- 34.5 Save as may be necessary for complying with the provisions of the Statutes regarding the contents of the Directors' report as the Company may by Extraordinary Resolution otherwise resolve, the Directors shall not be bound to publish or to give any information to any member or to any other person.

### **35 Audit**

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

### **36 Notices**

- 36.1 Any notice or document (including a share certificate) may be served by the Company on any member either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices. Where a notice or other document is served by post, service shall be deemed to be effected at the expiration of twenty-four hours after the cover containing the same is posted, and in proving such service it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 36.2 In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.
- 36.3 A person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to or interest in the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy or other event would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company shall have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member.

- 36.4 A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices of General Meetings.

### **37 Winding up**

- 37.1 Subject to the provisions of Article 3.2 hereof, if the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator of the Company (the "Liquidator") may, with the authority of an Extraordinary Resolution, divide among the members in cash or in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is any liability.

### **38 Indemnity**

- 38.1 Subject to the provisions of the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.