

Company Number: 646238

The Companies Act 1948

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING
A SHARE CAPITAL**

MEMORANDUM AND ARTICLES OF ASSOCIATION

of

**WELSHPOOL & LLANFAIR LIGHT RAILWAY
PRESERVATION CO. LIMITED**

(Amended pursuant to Special Resolutions
passed on 5th March 1994 and 5th May 2007)

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MEMORANDUM OF ASSOCIATION

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**WELSHPOOL & LLANFAIR LIGHT RAILWAY
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1. The name of the Company (hereinafter called “the Company”) is **“WELSHPOOL & LLANFAIR LIGHT RAILWAY PRESERVATION CO. LIMITED”**.
 2. The Registered Office of the Company will be situate in England and Wales.
 3. The objects for which the Company is established are:-

To advance the education of the public in the history and development of railway locomotion by the preservation of railway locomotives and/or rolling stock and/or historic railway lines.

In furtherance of the above object but not further or otherwise:-

- (1) (a) To preserve retain and restore the narrow gauge light railway extending from Welshpool to Llanfair Caereinion in the County of Montgomery or any part or parts thereof and for such purpose, to purchase, take upon lease, or otherwise acquire from The British Transport Commission the said light railway or part or parts thereof and the lands, works, buildings, track, stock, machinery and rights relating thereto.
- (b) To purchase, take on lease or otherwise acquire any other light railway or tramway or any part or parts thereof or rolling stock and to construct, equip, maintain, work and use railways, tramways, bridges and other means of communication and to

acquire running powers, rights or easements over any railway, tramway or other property.

- (c) To print, reproduce and publish books, treatises, photographs and diagrams, time-tables and other publications of all descriptions relating to such light railway or railways or other means of transport.
 - (d) To build, purchase, charter, hire or otherwise acquire, maintain, repair and use steam or other engines or locomotives, rolling stock, machinery, and property of every kind necessary or useful for the purpose of carrying on the business of the Company.
 - (e) To carry and convey passengers, goods, livestock and all kinds of merchandise by the said light railway or other railways or tramways and to hire and trade with passenger or freight vehicles belonging to or in the possession of the Company and generally to carry on business as carriers of passengers and goods in all its branches.
 - (f) To acquire, build, work and use factories of all kinds, furnaces, mills, foundries, hotels, hostels, camping grounds, cafes and places of refreshment, licensed or otherwise and to carry out waterworks, schemes of lighting, drainage and other works for improving or developing or enhancing the property of the Company.
 - (g) To promote and make application to the Ministry of Transport and to any other competent authority for all or any Order or Orders, Amendment, Order or Orders Licenses, consents or permissions necessary or expedient for the acquisition and operation of the said light railway or other tramways or railways or otherwise for the furtherance of the before-mentioned objects of the Company or any of them.
- (2) To carry on any business similar to the businesses above-mentioned or which may be conveniently or advantageously carried on or combined with them.
 - (3) Subject to the provisions of Section 14 of the Companies Act 1948, to purchase or sell, take or let on lease, take or give in exchange or on hire, or otherwise acquire, hold or dispose of any estate or interest in lands, buildings, easements, concessions, machinery, plant, stock in trade, goodwill, trade marks, patents, copyright or licences or any other real or personal property or any right, privilege, estate or interest.
 - (4) Subject to such consents as are required by law to sell, lease, let on hire, improve, manage, develop, mortgage, dispose of, turn to account or otherwise deal with all or any of the property and rights and undertakings of the Company.

- (5) To erect, build, construct, alter, improve, enlarge, maintain or work any railways, roads, wharves, stores, buildings, shops, factories, works, plant or machinery necessary for the Company's business.
- (6) To borrow or raise money for the purposes of the Company and for that purpose to mortgage or otherwise charge the whole or any part of the Company's undertaking, property and assets.
- (7) To pay out of the funds of the Company all expenses of, or incident to, the formation, registration and advertising of the Company.
- (8) To apply for and take out, purchase or otherwise acquire any patents, patents rights, inventions or secret processes which may be useful for the Company's objects and to grant licences to use the same.
- (9) To establish or promote any company for the purpose of acquiring all or any 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.
- (10) To acquire and undertake the whole or any part of the assets and/or liabilities of any person, firm or company carrying on any business of a nature similar to that which this Company is authorised to carry on.
- (11) To amalgamate with any company having charitable objects similar to those of this Company.
- (12) To subscribe or guarantee money for any charitable, benevolent, educational or social object, or for any exhibition or for any public, general or useful object which the Directors may think desirable or advantageous to the Company.
- (13) To establish and support, or to aid in the establishment and support of, any club, institution or organisation calculated to benefit persons employed by the Company or having dealings with the Company.
- (14) To invest the moneys of the Company not immediately required in or upon such securities and in such manner as the Directors may from time to time determine PROVIDED THAT:-
 - (i) In case the Company shall take or hold any property which may be subject to any trust, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts;
 - (ii) The Company shall not support with its funds any object, or endeavour to impose or procure to be observed by its Members or others any regulations, restriction or condition which if an object of the Association would make it a Trade Union.
- (15) The income and property of the Company derived from any source whatsoever shall be applied solely towards the promotion of the objects of the Company as set forth in this Memorandum of Association and no part thereof shall be paid transferred or declared

directly or indirectly by way of dividend, bonus or otherwise by way of profit to the Members PROVIDED THAT nothing contained herein shall prevent payment in good faith of reasonable and proper remuneration to any officer or servant or Member of the Company (not being a member of its Council of Management or Governing Body) as provided in the Memorandum and Articles of Association.

- (16) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them.

4. The liability of the Members is limited.

5. Every Member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up during the time that he is a Member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which he ceases to be a Member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding One Pound.

6. If upon a winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Company, but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of Clause 3 (15) hereof, such institution or institutions to be determined by the Members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some other charitable object.

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING
A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

of

**WELSHPOOL & LLANFAIR LIGHT RAILWAY
PRESERVATION CO. LIMITED**

(Amended pursuant to Special Resolutions
passed on 5th March 1994 and 5th May 2007)

INTERPRETATION

1. (A) The following shall be the Articles of the Company.
In these Articles:-

“the Act” means the Companies Act, 1948

“the seal” means the Common Seal of the Company

“the United Kingdom” means Great Britain and Northern Ireland

“the Articles” means the Articles of Association of the Company as herein originally framed or as subsequently altered by Special Resolution of the Company in General Meeting, except that any reference to the number of a clause in the Articles shall be deemed to refer to the clause as numbered in the Articles as originally herein framed and not as subsequently altered

- (B) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography,

photography and other modes of representing or reproducing words in a visible form.

- (C) Unless the context otherwise requires, words or expressions contained in the Articles shall bear the same meaning as in the Act.

MEMBERS

- 2. (A) The number of Members with which the Company proposes to be registered is one thousand, but the Directors may from time to time register an increase of Members.

- (B) The Subscribers to the Memorandum of Association and such other persons as the Directors shall admit to membership shall be Members of the Company.

- (C) Any person who shall subscribe to the Company the sum of £1 1s 0d annually or such other annual sum as the Company shall from time to time prescribe shall on such payment become qualified to be a Member of the Company and shall sign a written consent and request to be a Member.

- (D) Any person who shall subscribe to the Company the sum of £25 or such other sum as the Company shall from time to time prescribe shall on payment of such sum become qualified to be a Member of the Company for his or her life and shall sign a written consent and request to be a Member.

- (E) The Directors may refuse for a good and proper reason to admit any person as a Member or Life Member or to accept an annual or other subscription.

- (F) The Directors may admit to membership any person distinguished for services to the Company or the wife widow child or children of such person without payment of a subscription.

- (G) Any Member of the Company who shall desire to retire shall signify such desire in writing to the Secretary and thereupon the name of such Member shall be removed from the list of Members and he or she shall be deemed to have retired.

- (H) No right or privilege for any Member shall be in any way transferable or transmissible and all such rights and privileges shall cease upon the Member ceasing to be such whether by death, retirement or otherwise.

GENERAL MEETINGS

- 3. (A) The first General Meeting of the Company shall be held at such time, being not less than one month nor more than three months after the incorporation of the Company, and at such place as the Directors shall determine.

- (B) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year, and shall

specify the Meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall determine.

4. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

5. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 132 of the Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director, or any two Members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which Meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

6. An Annual General Meeting, and a Meeting called for the passing of a Special Resolution, shall be called by twenty-one days' notice in writing at the least, and a Meeting of the Company other than an Annual General Meeting or a Meeting for the passing of a Special Resolution shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of Meeting and, in case of special business, the general nature of that business and, in the manner required by Section 136 (2) of the Act, that a Member may be represented by not more than one proxy. The notice shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under the provisions of the Articles, entitled to receive such notices from the Company.

7. A Meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in Clause 6 of the Articles, be deemed to have been duly called if it is so agreed:-

- (A) In the case of a Meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (B) In the case of any other Meeting, by a majority in number of the Members having a right to attend and vote at the Meeting, being a majority together representing not less than ninety-five per cent of the total voting rights at that Meeting of all the Members.

8. On requisition as provided by and subject to the provisions of Section 140 of the Act, notice shall be given to the Members of the Company entitled to receive notice of the next Annual General Meeting of the Company of any resolution which may properly be moved and is intended to be moved at that Meeting, and there shall be circulated to Members entitled to have notice of any General Meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or business to be dealt with at that Meeting.

9. The accidental omission to give notice of a Meeting to, or the non-receipt of notice of a Meeting by, any Member shall not invalidate the proceedings of that Meeting.

PROCEEDINGS AND GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the election of Directors in the place of those retiring, and the appointment of, and the fixing of the remuneration of, the Auditors; and all business shall also be deemed special that is transacted at an Extraordinary General Meeting.

11. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business; save as herein otherwise provided, five Members personally present shall be a quorum.

12. If within half an hour from the time appointed for the Meeting, a quorum is not present, the Meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall be held on the same day in the next week, at the same time and place, or on such other day and at such other time and place as the Directors may determine; and if at this Meeting a quorum is not present within half an hour from the time appointed for the Meeting, the Members present shall be a quorum.

13. (A) The Chairman, if any, of the Board of Directors, shall preside as Chairman at every General Meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the Meeting, or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the Meeting.

(B) If so requested by the Chairman, if any, of the Board of Directors, or by the Board of Directors, the President or any Vice-President shall preside as Chairman at the Annual General Meeting of the Company.

14. If at any Meeting no Director is willing to act as Chairman, or if no Director is present within fifteen minutes after the time appointed for holding the Meeting, the Members present shall choose one of their number to be Chairman of the Meeting.

15. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting. 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.

16. At every General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands, and a declaration by the Chairman of the Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, shall not be challenged by any Member of the Company, and an entry of the result of the vote in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution; but nothing in this Clause shall apply if a poll is demanded in accordance with the provisions of Clause 17 of the Articles.

17. A poll, either before or on the declaration of the result of a vote by show of hands, may be demanded:-

- (A) by the Chairman; or
- (B) by at least three Members present in person or by proxy; or
- (C) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting.

The demand for a poll may be withdrawn.

18. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith, and a poll demanded on any other question shall be taken at such time as the Chairman of the Meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

19. 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.

20. Subject to the provisions of the Act, a resolution in writing, signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations, by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

VOTES OF MEMBERS

21. Every Member shall have one vote.

22. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that Court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.

23. No Member shall be entitled to vote at any General Meeting unless all moneys presently payable by him to the Company have been paid.

24. Any Member of the Company may appoint any one person (whether or not such person is a Member of the Company) to attend any General Meeting of the Company as his proxy, but no Member shall be represented by more than one proxy at the same Meeting; and the proxy shall have the same right to vote on a poll as the Member appointing him, but shall not be entitled to speak at the Meeting, or to vote on a show of hands.

25. The instrument appointing a proxy shall be in writing under the hand of the appointor, or of his attorney duly authorized in writing, or if the appointor is a

corporation, either under seal or under the hand of an officer or attorney duly authorised.

26. The instrument appointing a proxy and the power of the attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company, 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 for holding the Meeting or adjourned Meeting at which the person named in the instrument purposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

27. An instrument appointing a proxy shall be in the following form, or a form as near thereto as circumstances admit:-

“WELSHPOOL & LLANFAIR LIGHT RAILWAY PRESERVATION
CO. LIMITED

I/We _____ of _____ in the
County of _____, being a member/members of the
above-named Company, hereby appoint
of _____, or failing him
of _____, as my/our proxy to vote for me/us on
my/our behalf at the Annual (Extraordinary) General Meeting of the Company
to be held on the _____ day of _____, 19____, _____,
and at any adjournment thereof.

Signed this _____ day of _____, 19____.”

28. Where it is desired to afford Members an opportunity of voting for or against a resolution, the instrument of proxy shall be in the following form or a form as near thereto as circumstances admit:-

“WELSHPOOL & LLANFAIR LIGHT RAILWAY PRESERVATION
CO. LIMITED

I/We _____ of _____ in the
County of _____, being a member/members of the
above-named Company, hereby appoint
of _____, or failing him
of _____, as my/our proxy to vote for me/us on
my/our behalf at the Annual (Extraordinary) General Meeting of the Company
to be held on the _____ day of _____, 19____, _____,
and at any adjournment thereof.

Signed this _____ day of _____, 19____.

+in favour of

* This form is to be used +against _____ the resolution

* Unless otherwise instructed the proxy will vote as he thinks fit.

+ Strike out whichever is not desired.”

29. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

30. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVE AT MEETINGS

31. Any Corporation which is a Member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any Meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

DIRECTORS

32. The number of the Directors and the names of the first Directors shall be determined in writing by the Subscribers of the Memorandum of Association, or a majority of them.

33. The Directors shall be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from Meetings of the Directors or any Committee of the Directors or General Meetings of the Company or in connection with the business of the Company.

BORROWING POWERS

34. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party, provided that the amount of money borrowed by the Company at any given time does not exceed the sum of One hundred thousand pounds.

POWERS AND DUTIES OF DIRECTORS

35. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Act or the Articles, and to such regulations, not being inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

36. The Directors may from time to time, and at any time, by power of attorney, appoint any company, firm or person, or body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for

such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles), and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney as the Directors may think fit; and the Directors may also authorise any such Attorney to delegate all or any of the powers, authorities and discretions vested in him.

37. A Director shall not vote in respect of any contract or proposed contract with the Company in which he is either directly or indirectly interested, or in respect of any matter arising thereout, and if he does so vote his vote shall not be counted.

38. (There is no Article 38).

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

40. The Directors shall cause minutes to be made in books provided for the purpose:-

- (A) of all appointments of officers made by the Directors;
- (B) of the names of the Directors present at each Meeting of the Directors and of any Committee of the Directors; and
- (C) of all resolutions and proceedings at all Meetings of the Company, of the Directors, and of Committees of Directors;

and every Director present at any Meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

DISQUALIFICATION OF DIRECTORS

41. (A) The office of Director shall be vacated if the Director:-
- (1) without the consent of the Company in General Meeting, holds any other office of profit under the Company; or
 - (2) becomes bankrupt, or makes any arrangement or composition with his creditors generally; or
 - (3) becomes prohibited from being a Director by reason of any order made under Section 188 of the Act; or
 - (4) is found lunatic or becomes of unsound mind; or
 - (5) is convicted of an indictable offence; or
 - (6) gives one month's notice in writing to the Company that he resigns the office of Director; or

(7) is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest in the manner required by Section 199 of the Act; or

(8) shall for more than six months have been absent without permission of the Directors from Meetings of the Directors held during that period.

(B) Subject to the provisions of any other clause in the Articles, a person shall be eligible to be appointed a Director notwithstanding that he has reached the age of seventy, and subject to the provisions of any other clause in the Articles, a Director shall not be obliged to retire from office at the conclusion of the first Annual General Meeting after he has reached the age of seventy, or at any other time, merely because he has reached the age of seventy or any other age; the provisions of Section 185 of the Act shall not apply to the Company.

ROTATION OF DIRECTORS

42. At the first Annual General Meeting of the Company, all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

43. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

44. The Company, at the Meeting at which a Director retires in the manner aforesaid, may fill the vacated office by electing a person thereto, and a retiring Director shall be eligible for re-election; and if the vacated office is not filled as aforesaid, the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such Meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the Meeting and lost.

45. (A) No person shall be eligible for election to the office of Director at any General Meeting unless, not less than forty-two nor more than sixty days before the date appointed for the Meeting, there shall have been left at the registered office of the Company notice in writing, signed by a Member 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 that person of his willingness to be nominated.

(B) In the event of the number of persons standing for-election and persons recommended or nominated either by the Directors or by a Member pursuant to Clause 45 (A) exceeding the number of vacancies, balloting lists shall be prepared containing the names of the candidates in alphabetical order and each Member present at that Meeting in person or by proxy shall be entitled to vote for any number of such candidates not exceeding the number of vacancies, the candidates in

excess of the number of vacancies failing to obtain the least number of votes shall be eliminated.

- (C) If two or more candidates obtain an equal number of votes another Ballot shall, if necessary, be taken in respect of such candidates. If two or more candidates again obtain an equal number of votes, the Directors shall elect by lot from such candidates the candidate or candidates who is or are to be eliminated.
- (D) The names of each of the candidates not eliminated by the Ballot shall then be submitted to the Meeting for election as a Director by separate resolution and shall only be deemed elected if such resolution is duly passed.

46. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

47. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such Meeting.

48. The Company may by Ordinary Resolution, of which special notice has been given in accordance with Section 142 of the Act, remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

49. Without prejudice to the powers of the Directors under Clause 47 of the Articles, the Company may, by ordinary Resolution in General Meeting, appoint any person to be a Director, either to fill a casual vacancy, or as an additional Director, in place of a Director removed from office under the provisions of Clause 48 of the Articles. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

PROCEEDINGS OF DIRECTORS

50. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their Meetings, as they think fit. Questions arising at any Meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Meeting of the Directors. It shall not be necessary to give notice of a Meeting of the Directors to any Director for the time being absent from the United Kingdom.

51. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be three.

52. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

53. The Directors may elect a Chairman of their Meetings, and determine the period for which he is to hold office; but if no such chairman is elected, or if at any Meeting the Chairman is not 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.

54. The Directors may delegate any of their powers 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 it by the Directors.

55. A Committee may elect a Chairman of its Meetings; if no such Chairman is elected, or if at any Meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Members present may choose one of their number to be Chairman of the Meeting.

56. A Committee may meet and adjourn as it thinks proper. Questions arising at any Meeting shall be determined by a majority of votes of the Members present, and in the case of an equality of votes the Chairman shall have a second and casting vote.

57. All acts done by any Meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

58. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a Meeting of the Directors, shall be as valid and effectual as if it has been passed at a Meeting of the Directors duly convened and held.

SECRETARY

59. The Directors shall appoint a Secretary of the Company, and may appoint one or more deputy or assistant Secretaries, for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary or deputy or assistant Secretary so appointed may be removed by the Directors.

60. Anything required or authorised to be done, or any notice required or authorised to be given, under the provisions of the Articles, by or to the Secretary may, if the office is vacant or if there is for any reason no Secretary capable of acting, be done or given by or to any deputy or assistant Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company, authorised generally or specially in that behalf by the Directors.

61. A provision of the Act, or of the Articles, requiring or authorising anything 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.

SEAL

62. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a Committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by two Directors and shall be countersigned by the Secretary.

ACCOUNTS

63. The Directors shall cause to be kept such proper books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions with respect to:-

- (A) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (B) All sales and purchases of goods by the Company; and
- (C) The assets and liabilities of the Company.

64. The books of account shall be kept at the registered office of the Company, or, subject to Section 147 (3) of the Act, at such other place or places as the Directors think fit.

65. The books of account shall always be open to the inspection of the Directors, and the Directors shall from time to time determine whether and to what extent, and at what times and places, and under what conditions or regulations, the said books of account or any of them shall be open to the inspection of Members not being Directors; and no Member (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by statute, or authorised by the Directors or by the Company in General Meeting.

66. The Directors shall from time to time, in accordance with Sections 148, 150 and 157 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts, if any, and reports as are referred to in those Sections.

67. A copy of every Balance Sheet, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Auditor's Report shall, not less than twenty-one days before the date of the Meeting, be sent to every Member of, and every holder of Debentures of, the Company; provided that the provisions of this Clause shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Debentures.

AUDIT

68. Auditors shall be appointed and their duties regulated in accordance with Sections 159 to 162, inclusive, of the Act.

NOTICES

69. A notice may be given by the Company to any Member either personally or by sending the notice by post to him or to 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 for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a Meeting at the expiration of twenty-four hours after the letter containing the notice is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

70. Notice of every General Meeting shall be given in any manner hereinbefore authorised to every Member of the Company, except those Members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them, and such notice shall also be so given to the Auditor for the time being of the Company; but no other person shall be entitled to receive notices of General Meetings.

WINDING UP

71. Clause 6 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles.

PRESIDENT

72. (A) The Company may at the Annual General Meeting appoint a President and may also appoint one or more Vice-Presidents for the ensuing year.
- (B) A President or Vice-President shall not ex-officio be a Director of the Company but shall be eligible to be appointed Director.