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THE COMPANIES ACT 1985

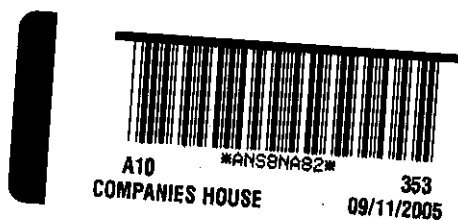
A PUBLIC COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

PARALLEL MEDIA GROUP Plc
(as amended by special resolution
of the Company passed on
2nd August 2005)



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**PARALLEL MEDIA GROUP Plc
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2nd August 2005)**

1. The Status of these Articles

- 1.1 These Articles (as defined in Sub-Article 2.1) shall be the articles of association of the Company. No regulation contained in or made pursuant to any statute or statutory instrument shall form any part of these Articles.

2. Interpretation

- 2.1 In these Articles the following words and expressions shall have the following meanings:

the "**Act**": the Companies Act 1985 including, but without limitation, any statutory modification or re-enactment for the time being in force;

"**these Articles**": the articles of association of the Company contained herein;

the "**Auditors**": the auditor or the auditors of the Company for the time being;

the "**Board**": the Directors or any of them present at a meeting duly convened as a Board meeting at which a quorum shall be present;

"**Committee**": a committee of one or more of the Directors and any person or persons who may be co-opted by the Board, to which the Board shall have delegated all or any of its powers, authorities or discretions;

"**communication**": means the same as in the Electronic Communications Act 2000;

the "**Company**": World Sport Group Plc, registered in England and Wales with company registration number 00630968;

"Deferred Shares": means the deferred shares of nominal value of 0.5p each in the capital of the Company collectively having the same rights and being subject to the same restrictions set out in Article 4.2;

the **"Directors"**: the Directors of the Company for the time being including Executive and Non-Executive Directors;

"electronic communication": means the same as in the Electronic Communications Act 2000;

"Executive Directors": means any Director of the Company for the time appointed to hold an executive office or other employment with the Company or any of its subsidiaries pursuant to Article 28.1;

the **"Group"**: the Company and its subsidiary undertakings for the time being (if any);

the **"London Stock Exchange"**: London Stock Exchange plc;

"Luna Trading Limited": Luna Trading Limited, company no: 52527, whose registered office is at Lord Coutanche House, 66-68 Esplanade, St Helier, Jersey, Channel Islands JE4 5PS;

"member": a person or, in the case of joint holders of shares, the persons, the details of whom shall be contained for the time being in the Register of Members;

the **"Memorandum"**: the memorandum of association of the Company for the time being;

"Non-Executive Director": means any Director of the company for the time being who is not an Executive Director;

the **"Office"**: the registered office of the Company for the time being;

"Ordinary Shares": means the ordinary shares of nominal value 0.5p each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

"Park House Holdings Limited": Park House Holdings a company registered in the British Virgin Islands with registered number 131049 and with its registered office at PO Box 71, Craigmuir Chambers, Tortola, the British Virgin Islands;

"Register of Members": the register of members of the Company for the time being;

the **"Seal"**: the common seal of the Company for the time being;

the **"Secretary"**: the secretary of the Company for the time being, including any assistant secretary, deputy secretary, and any person appointed by the Board pursuant

to these Articles to perform the duties of the Secretary of the Company and any joint secretary;

"securities": shares, stock, debentures, debenture stock, loan stock, bonds, subscription warrants and any other securities of any description issuable or issued by the Company;

the **"Securities Seal"**: the facsimile of the Seal, having the word "securities" on its face, adopted by the Board for the time being for the purposes of sealing securities issued by the Company and sealing documents creating or evidencing securities so issued;

"separate class meeting": a meeting of the holders of any class of shares duly convened as such;

the **"Statutes"**: the Act and every other statute for the time being in force concerning companies and affecting the Company;

"uncertificated securities facility": the meaning ascribed thereto in Sub-Article 12.1;

the **"Uncertificated Securities Regulations"**: the Uncertificated Securities Regulations 1995 as modified or re-enacted from time to time;

"Walbrook International Trust Company Limited": Walbrook International Trust Company Limited, as Trustees of the Witco 16 Settlement number 238451 whose administrative branch office is at Lord Coutanche House, 66-68 Esplanade, St. Helier, Jersey, Channel Islands; and

"The Tokyo Settlement": Walbrook Trustees (Jersey) Limited known as The Tokyo Settlement whose registered office is at Lord Coutanche House, 66-68 Esplanade, St. Helier, Jersey, Channel Islands.

- 2.2 The headings in these Articles are used for ease of reference only and shall not be taken into account in construing these Articles.
- 2.3 Where the context shall allow, the references in these Articles to "Articles", "Sub-Articles" and paragraphs shall be read as references to those contained in these Articles.
- 2.4 Any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.
- 2.5 A Special or Extraordinary Resolution shall be effective for any purpose for which an ordinary Resolution is expressed to be required and a Special Resolution shall be effective for any purpose for which an Extraordinary Resolution is expressed to be required.

3. BUSINESS

- 3.1 Any branch or kind of business which by the Memorandum, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit and, further, may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.
- 3.2 The Office shall be at such place in England or Wales as the Directors shall from time to time appoint.

4. SHARE CAPITAL OF THE COMPANY AND CLASS RIGHTS

- 4.1 The authorised share capital of the Company at the date these Articles were last amended is £9,996,825.10 divided into 1,799,533,475 Ordinary Shares of 0.5p each and 199,831,545 Deferred Shares of 0.5p each.
- 4.2 The Deferred Shares shall have the following rights and shall be subject to the following restrictions:

4.2.1 the Deferred Shares shall:

- (a) not entitle their holders to receive any dividend or other distribution;
- (b) not entitle their holders to receive notice of or to attend, speak or vote at any General Meeting of the Company by virtue of or in respect of their holding of such Deferred Shares;
- (c) entitle their holders on a return of assets on a winding-up of the Company or otherwise only to the repayment of the capital paid up on such Deferred Shares and only after repayment of the capital paid up on each ordinary share in the capital of the Company and the payment of a further £100,000 on each such ordinary share.

4.2.2 The holders of the Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company. Notwithstanding any other provision of these Articles of Association of the Company and unless specifically required by the provisions of the Act, the Company shall not be required to issue any certificates in respect of the Deferred Shares. The Company shall have irrevocable authority at any time:

- a) to appoint a person on behalf of any holder of Deferred Shares to enter into an agreement to transfer, and to execute a transfer of, the Deferred Shares, for no consideration, to such person (whether or not an officer of the Company) as the Directors may determine as the custodian thereof;

- b) to purchase all of the Deferred Shares then in issue in consideration of an aggregate payment of one penny for all of such shares then redeemed and upon giving 28 days' prior notice to the holders of Deferred Shares as to be redeemed fixing a time and place for redemption;
- c) in the event of any transfer, purchase or redemption to retain any share certificate relating to such shares. In the event that any Deferred Shares are purchased or redeemed as aforesaid, the relevant amount of authorised but unissued share capital arising may be redesignated by the Directors as ordinary share capital.

Neither the passing by the Company of any Special Resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any Order confirming any such reduction of capital nor the becoming effective of any such Order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Act without sanction or consent on the part of the holders of the Deferred Shares.

5. VARIATION OF SHARE CLASS RIGHTS

- 5.1 Without prejudice to any special rights for the time being conferred on the holders of any shares or class of shares (which special rights shall not be varied, except with such consent or sanction as is provided by the next following Article) any share in the Company may be allotted with such preferred, deferred, qualified or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company by Ordinary Resolution at the time of creation of such shares, or in default the Directors, may determine and subject to the provisions of the Statutes, any share may be issued on the terms that it is, or at the option of the Company or the holder is to be liable, to be redeemed on such terms and in such manner as may be prescribed by these Articles by Special Resolution or by the terms of issue of such share.
- 5.2 If the share capital of the Company shall for the time being be divided into more than one class of shares, the rights which shall attach to any such class of shares may be varied either with the prior consent, in writing, of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class of shares or with the prior sanction of an extraordinary resolution passed at a separate class meeting of the holders of the shares of such relevant class of shares.
- 5.3 The provisions of these Articles relating to general meetings of the Company shall, with any necessary modifications, apply to any separate class meeting at which the variation of the rights attaching to such shares shall be considered, except that:

- (a) the necessary quorum for any such separate class meeting shall be two persons who shall hold or represent by proxy not less than one-third in nominal value of the issued shares of the relevant class of shares;
 - (b) the necessary quorum for any reconvened meeting of any such separate class meeting which shall have been adjourned shall be one person present, in person or by proxy; and
 - (c) any holder of shares of the relevant class, who shall be present, in person or by proxy, may demand a poll and any such holder shall be entitled on a poll to one vote for each share of the relevant class held by him.
- 5.4 The rights which shall, for the time being, be attached to any class of shares shall not be treated as varied by the creation or the issue of shares which shall rank, as regards participation in the profits or assets of the Company, in all respects *pari passu* with the shares of the same class for the time being created or in issue, but shall in no respect rank in priority to such shares.
- 5.5 The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.

6. ALTERATION AND REDUCTION OF SHARE CAPITAL

- 6.1 The Company may, from time to time, by ordinary resolution in general meeting:
- (a) increase its share capital by creating such number of new shares of such nominal value and with such preferred, deferred or other rights or such restrictions as such ordinary resolution shall prescribe;
 - (b) consolidate and divide all or any existing capital into shares of higher nominal value than such existing shares;
 - (c) sub-divide all or any of the existing shares into shares of a lower nominal value than such existing shares provided that immediately following such sub-division the proportion between the amount paid up and the amount, if any, unpaid on each such sub-divided share shall be the same as the existing share from which it shall have been derived immediately prior to such sub-division, and may determine by such ordinary resolution that, as between the shares which shall result from the sub-division, any one or more of the shares may, as compared with the others, have any preferred, deferred or other special rights, or be subject to any restrictions; and
 - (d) cancel any shares which shall not, at the date of the passing of such ordinary resolution, have been taken or agreed to be taken by any person and diminish the nominal value of its authorised share capital by an amount equal to the nominal value of the shares so cancelled.

- 6.2 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportions among those members and the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by an irregularity in or invalidity of, the proceedings relating to the sale.
- 6.3 The Company may (subject to the provisions of the Act), by special resolution reduce the share capital of the Company or the amount standing to the credit of the Company's capital redemption reserve or share premium account (if any) or any other distributable reserve (if any) in any manner.

7. STOCK

- 7.1 The Company may, from time to time, by ordinary resolution, convert all or any fully paid up shares into stock. Any stock so constituted by the Company may, from time to time, by ordinary resolution of the Company, be reconverted into fully paid up shares of any denomination.
- 7.2 The holders of stock may transfer all, or any part, of the stock in the same manner provided by, and subject to the same provisions of these Articles which shall, for the time being, apply to transfers of shares of the same class of shares as the shares from which the stock arose, or as near thereto as circumstances shall allow.
- 7.3 The Board may, from time to time, fix the minimum amount of stock transferable provided that such minimum amount shall not exceed the nominal value of the shares from which the stock arose.
- 7.4 Any holder of stock shall, according to the nominal value of stock held by such holder, have the same rights and be subject to the same restrictions as if such holder held the shares from which the stock arose, but no right shall be conferred or restriction imposed on any stock which would not, if existing in respect of shares, have conferred that right or imposed that restriction.
- 7.5 The provisions of these Articles applicable to fully paid up shares of any class of shares shall apply to stock which shall have been constituted by the conversion of shares of that class of shares.

8. PURCHASE BY THE COMPANY OF SHARES

- 8.1 The Company may (subject to the provisions of the Act), from time to time, purchase any of its own shares (including any redeemable shares).

- 8.2 Subject to Article 4.4 no purchase by the Company of any of its own shares, the terms of the contract for which shall have been approved by the Company in accordance with the Act, shall be permitted until such purchase shall also be authorised by an extraordinary resolution passed at a separate general meeting of the holders of shares of each class of shares which, at the date on which the terms of the contract shall have been authorised in accordance with the Act, shall entitle such holders, either immediately on or at any time after that date, to convert all or any of the shares held by them into equity share capital (as defined by Section 744 of the Act) of the Company.
- 8.3 Neither the Company, nor the Board, shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

9. SHARES

- 9.1 Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolutions of the Company in general meeting, all unissued shares shall be at the disposal of the Board and the Board may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms and conditions as the Board may determine.
- 9.2 The Board may on the allotment of any share confer on the allottee the right (subject to any and such terms and conditions as the Board may determine) to renounce the allotment.
- 9.3 The Board may, at any time following the allotment of any share, but before the details of the allottee shall have been entered on the Register of Members, recognise the renunciation of the allotment by the allottee in favour of any other person, whether such renunciation shall be made pursuant to and exercised in accordance with any terms and conditions attaching to such a right to renounce conferred on the allotment or otherwise.
- 9.4 Subject to the provisions of the Act and without limitation to any rights which shall for the time being attach to any share which shall for the time being be in issue, any share may be issued with any preferred, deferred or other special rights or subject to any restrictions as the Company may in general meeting, by ordinary resolution, determine.
- 9.5 Subject to the provisions of the Act, the Company may issue shares which shall be redeemed or shall be liable to be redeemed at the option of the Company or of the holder of such redeemable share on such terms and conditions and in such manner as shall be determined by the Board in accordance with the Act.
- 9.6 The Company may, from time to time, exercise all or any of the powers to pay commissions conferred and permitted by the Statutes.

- 9.7 The Company may on any issue of shares, from time to time, pay such brokerage as may be lawful for the time being.
- 9.8 Except as may be required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as otherwise provided by these Articles or by law) the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, prospective or partial interest in any share, or any interest in any fractional part of any share or (except only as otherwise provided by these Articles or by law) any other right in respect of any share, other than an absolute right of a holder of a share to the entirety of that share.

10. WARRANTS

- 10.1 The Company may, in respect of any fully paid up share, issue a warrant (a "**share warrant**") stating that the bearer is entitled to the shares therein specified.
- 10.2 If any share warrant shall be worn out, defaced, or shall be alleged to have been destroyed, lost or stolen, a new share warrant may be issued upon receipt by the Company of a written request and delivery to the Company of such worn out or defaced share warrant or, if such share warrant shall be alleged to have been destroyed, lost or stolen, upon compliance with such conditions and delivery of any such indemnity and the payment of any out-of-pocket expenses of the Company as the Board may determine; provided that prior to the issue of any new share warrant the Company shall have satisfied itself beyond reasonable doubt that the original share warrant shall have been destroyed.
- 10.3 A share warrant shall entitle the bearer, for the time being, of such warrant to the shares specified in the share warrant. The right to all the shares (but not some only) specified in a share warrant may be transferred by the delivery of the share warrant.
- 10.4 The bearer of any share warrant shall be entitled, on surrendering such share warrant to the Company for cancellation, to have his name placed on the Register of Members.
- 10.5 The bearer of a share warrant shall be treated as a member and the bearer shall accordingly have the same rights as if the bearer actually held the shares specified in such share warrant .

11. SHARE CERTIFICATES

- 11.1 The Company shall:
- (a) subject to Article 12 and the Uncertificated Securities Regulations, be obliged to issue to every holder or to the first named joint holder of any share (except a person to whom the Company is not required by law to issue a certificate), without payment, one share certificate in respect of all the shares of each class of shares which shall be registered in the name of such holder in the Register of Members for the time being, unless the terms of issue of the shares provide otherwise;

- (b) not issue any share certificate which shall relate to shares of more than one class of shares; and
 - (c) not be bound to issue more than one share certificate in respect of all the shares of each class of shares which shall be held jointly by several persons. The delivery of one share certificate to the first-named of the joint holders of a share shall constitute delivery to all such joint holders.
- 11.2 Every share certificate shall specify the number of shares, the class and any appropriate distinguishing numbers of the shares to which the share certificate relates and the amount paid up on such shares. It shall be issued under the Seal or in such other manner as the Board may approve, having regard to the terms of issue and the requirements of the London Stock Exchange.
- 11.3 Where some only of the shares to which a share certificate shall relate shall have been transferred, the original share certificate to which the shares transferred relate shall be cancelled and a new share certificate shall be issued, without charge, relating to the shares which the original share certificate shall have related but which shall not have been transferred.
- 11.4 If two or more share certificates relating to one class of shares shall have been issued to any member, such member may, subject to payment of such charge (if any) as the Board may determine, request in writing that the Company cancel all (but not some only) of such share certificates and issue a new share certificate relating to all the shares such member shall hold for the time being.
- 11.5 If any member shall surrender for cancellation one share certificate relating to all of the shares of one class of shares held by such member and request, in writing, the Company to issue more than one share certificate, the Board may, in its absolute discretion, refuse to comply with such request.
- 11.6 If any share certificate shall be worn out, defaced, or shall be alleged to have been destroyed, lost or stolen a new share certificate relating to the shares to which such share certificate related will be issued to the relevant member (without charge) upon receipt by the Company of a request, in writing, and the delivery of the worn out or defaced share certificate or if the share certificate shall be alleged to have been destroyed, lost or stolen, upon compliance with such conditions and delivery of any such indemnity as the Board may determine and the payment of any exceptional out-of-pocket expenses of the Company.

12. UNCERTIFICATED SECURITIES

- 12.1 Subject to the Act and the next following Sub-Article, the Board shall have the power to implement any procedures as the Board may determine for the recording and transferring of the title to securities in uncertificated form and for the regulation of those procedures and the persons responsible for or involved in their operation (an "**uncertificated securities facility**").

- 12.2 The Board may change any securities or class of securities into uncertificated form in accordance with and subject to the Uncertificated Securities Regulations.
- 12.3 The Company may permit the holding of securities in uncertificated form and the transfer of title to such securities by means of a relevant system (as defined in the Uncertificated Securities Regulations).
- 12.4 Notwithstanding any other provision in these Articles, if the Board has implemented an uncertificated securities facility in accordance with this Article:
- (a) the Company shall register a transfer of title to uncertificated shares on the Register of Members in accordance with an Operator-instruction as defined in the Uncertificated Securities Regulations, unless any of the exceptions referred to in regulation 23 (as modified or re-enacted from time to time) of the Uncertificated Securities Regulations apply; and
 - (b) to the extent that implementation of any provisions of these Articles shall be prohibited by the Uncertificated Securities Regulations those provisions shall not apply to any uncertificated securities.

13. LIEN

- 13.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether for the time being payable or not) payable at a fixed time or called in respect of that share. The Company's lien on a share shall extend to any amount payable in respect of the share. The Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member, of his estate and any other person, whether a member of the Company or not.
- 13.2 The Board may waive any lien or declare any share to be wholly or partially exempt from the provisions of the immediately preceding Sub-Article.
- 13.3 To enforce the Company's lien on a share, the Company may sell, in such manner as the Board may determine, a share on which the Company shall have a lien, if an amount in respect of which the lien exists shall be payable for the time being but shall not have been paid within fourteen clear days immediately following the date of a notice (such notice specifying the amount payable, demanding payment of that amount and stating that the share shall be liable to be sold in default of the payment of that amount within fourteen clear days immediately following the date of the notice) to the holder or any joint holder of the share for the time being or the person entitled to the share as a consequence of the death or bankruptcy of the holder of the share or otherwise by operation of law.

- 13.4 To give effect to any sale pursuant to the immediately preceding Sub-Article the Board may authorise any person to transfer the share(s) to the purchaser and the Company may receive the consideration (if any) for the share(s) on its (their) disposal and register the transferee as the holder of the share(s). The net proceeds of the sale of any share pursuant to the immediately preceding Sub-Article shall, after payment of the costs of such sale, be applied in or towards the payment or satisfaction of the amount in respect of which the lien shall exist, so far as that amount shall, for the time being, be payable. Any balance of the net proceeds of the sale following the deduction of the amount in respect of which the lien shall exist shall, upon the surrender to the Company for cancellation of the share certificate to which the share so sold shall relate and subject to any lien which the Company shall have for any other sums which shall not have been payable upon such share prior to the date of the sale, be paid to the person entitled to the share immediately prior to the sale.
- 13.5 A statutory declaration, in writing, that the declarant is the Secretary or a Director and that a share has been duly sold to satisfy a lien of the Company on the date stated in the statutory declaration shall be conclusive evidence of the facts stated in the statutory declaration as against all persons claiming to be entitled to the share. The statutory declaration shall (subject, if required by the purchaser of the share, to the execution of an instrument of transfer of the share) constitute a good title to the share and the person to whom the share is sold shall be registered as the holder of the share and shall not be bound to enquire as to the application of the consideration paid for the share nor shall the title of such person to the share be affected by any irregularity or invalidity in the proceedings relating to the sale of the share.

14. CALLS ON SHARES

- 14.1 The Board may, subject to the terms and conditions of allotment and issue and these Articles, from time to time, make such calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of a share or any premium payable on a share).
- 14.2 Every call shall be treated as having been made on the date the Board shall meet to authorise the call.
- 14.3 Any call may be required to be payable in one sum or by instalments.
- 14.4 Any call may be revoked or postponed on a resolution of the Board.
- 14.5 Each member shall (subject to having been sent a notice giving at least fourteen clear days' notice specifying the date and the place of payment and the amount of the payment payable pursuant to the call) pay to the Company, on the date and place specified in the notice of the call, the amount specified in such notice of call.
- 14.6 A person upon whom a call shall be made shall remain liable for the amount of that call, notwithstanding the subsequent transfer of the shares in respect of which the call shall have been made.

- 14.7 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 14.8 If the amount called in respect of a share shall not have been paid before or on the day specified in the notice of the call, the member from whom the amount of the call is due shall pay interest at a rate determined by the Board and specified in the notice of the call from the date specified in the notice of call as the date for the payment of the amount called to the date of actual payment, together with all costs, charges and expenses incurred by the Company. The Board may determine to waive the payment of any interest payable pursuant to this Sub-Article, wholly or in part.
- 14.9 Any amount (whether on account of the nominal value of a share or any premium payable on a share) which by the terms and conditions of the allotment or issue of a share shall become payable upon allotment or issue at any fixed date shall for the purposes of these Articles be treated as a call on the share duly made and payable on the date on which, by the terms and conditions of allotment or issue, the amount shall become payable. If a member shall not pay the amount which shall become payable pursuant to this Sub-Article in accordance with this Sub-Article all the relevant provisions of these Articles shall apply as if such amount had become payable by virtue of a call on the share duly made and notified.
- 14.10 The Board may, from time to time, by the terms and conditions of any allotment of shares, differentiate between the holders of shares so allotted in the amount of calls to be paid and in the dates on which payments shall be made.
- 14.11 The Board may receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of a share or any premium payable on a share) uncalled and unpaid upon any share held by such member. Any payment made in advance of any call on a member's shares shall satisfy the amount payable by such member upon the share to the extent of that payment. The Company may pay interest upon the moneys, at a rate determined by the Board, to any member who shall advance moneys on account of any amount uncalled and unpaid on shares held by such member, such interest to be payable from the date the advance payment shall be received by the Company to the date on which the amount of such advance payment shall become payable.

15. FORFEITURE

- 15.1 If a member shall fail to pay in full any call or instalment of a call before or on the date (specified in the notice of call served pursuant to the immediately preceding Article as being the date for payment of the amount of the call) the Board may at any time after such specified date serve a notice on such member requiring him to pay a specified amount equal to so much of the call or instalment of the call as shall be unpaid together with any interest which may have accrued on the unpaid amount and any expenses incurred by the Company by reason of such non-payment.
- 15.2 Every notice served by the Board pursuant to the immediately preceding Sub-Article shall specify a further date (being a date not less than fourteen clear days after the date of such notice) before or on which, and the address where, the payment of the amount

specified in such notice shall be paid and each such notice shall also state that, if such payment is not made in accordance with the notice, the share on which the call shall have been made shall be liable to forfeiture.

- 15.3 If the requirements of any such notice shall not be complied with, any share in respect of which such notice shall have been given may, at any time following the date specified in such notice as being the date before or on which the amount specified in and required to be paid by the notice should have been paid be forfeited on a determination of the Board. On the forfeiture of a share all rights to dividends declared in respect of the forfeited share and not paid before forfeiture shall also be forfeited. The Board may accept a surrender of any share liable to be forfeited under these Articles in lieu of forfeiture and the provisions of these Articles shall apply to any share so surrendered as if such share had been forfeited.
- 15.4 Subject to the provisions of the Act, any forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, immediately prior to such forfeiture or surrender, the holder of the share or entitled to the share, or to any other person, upon such terms and conditions as the Board shall determine. At any time before a sale, re-allotment or other disposal, the forfeiture or surrender of a share may be cancelled on such terms and conditions as the Board may determine. The Board may, if necessary, authorise any person to execute a transfer or, in the case of a share in uncertificated form, to take such other steps as may be necessary to effect a transfer of the forfeited or surrendered share.
- 15.5 When any share shall have been forfeited, notice of the forfeiture shall be served upon the person who was immediately prior to such forfeiture the holder of the share forfeited. No forfeiture shall be invalidated by any omission or neglect in sending or non-receipt of a forfeiture notice.
- 15.6 A member who shall forfeit or surrender a share shall cease to be a member as regards the share, but shall, notwithstanding forfeiture or surrender of the share, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender of the share shall have been payable by him to the Company in respect of the forfeited or surrendered share, together with interest (not exceeding, without the consent of a General Meeting 15 per cent. per annum) on that amount at a rate determined by the Board and specified in the notice of forfeiture from the date of forfeiture or surrender of the share until that amount shall be paid, together with all costs, charges and expenses incurred by the Company. The Board may enforce payment of that amount *without having regard to the value of the share at the time of forfeiture or surrender of the share* or any consideration received on the sale, re-allotment or other disposal of the share, or the Board may waive payment wholly or in part.
- 15.7 A statutory declaration in writing that the declarant is the Secretary or a Director and that a share has been duly forfeited or surrendered on the date specified in the statutory declaration shall be conclusive evidence of the facts stated in the statutory declaration as against all persons claiming to be entitled to the share. The statutory declaration shall (subject, if required by the purchaser of the share, to the execution of an instrument of transfer of the share) constitute a good title to the share and the person to whom the share is sold, re-allotted or otherwise disposed of shall be

registered as the holder of the share and shall not be bound to enquire as to the application of the consideration paid for the share nor shall the title of such person to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture or surrender, sale, re-allotment or other disposal, of the share.

16. TRANSFER OF SHARES

16.1 Subject to the provisions of these Articles and the Uncertificated Securities Regulations:

- (a) any member may transfer all or any of the shares held by him by an instrument of transfer, in writing, in any usual or common form or in any other form which the Board may accept. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid up shares) by or on behalf of the transferee;
- (b) the transferor shall remain the holder of the shares to which the instrument of transfer shall relate until the details of the transferee shall have been entered in the Register of Members in respect of the shares;
- (c) the Board may refuse to recognise any instrument of transfer unless the instrument of transfer shall be in respect of shares of only one class of shares and shall have been duly stamped (if required), and shall be accompanied by the share certificate to which such instrument of transfer relates and such other evidence as the Board may reasonably require to prove the right of the transferor to make the transfer (and, if the instrument of transfer is signed on behalf of the transferor, the authority of the person executing the instrument of transfer authorising him to so sign on behalf of the transferor), save that in the case of a transfer by a recognised clearing house (within the meaning of the Financial Services Act 1986) or a nominee of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services Act 1986) the receipt of a share certificate will only be necessary if and to the extent that the share certificate shall have been issued in respect of the shares subject of the instrument of transfer;
- (d) the Board may, in its absolute discretion, refuse to register the transfer of a share which is not fully paid up. The Board may also refuse to register the transfer of a share to more than four persons as joint holders or the transfer of any share on which the Company shall have a lien;
- (e) if the Board shall refuse to register the transfer of a share, the Board shall, within two months immediately following (in the case of a share in certificated form) the date on which the transfer was received at the Office or (in case the case of a share in uncertificated form) the date on which the Operator-instruction was received by the Company, send to the transferee of the share notice of the refusal;
- (f) any instrument of transfer which the Board refuses to register shall (except in case of fraud) be returned to the person depositing the same;

- (g) no fee shall be charged by the Company for registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any recording in the Register of Members affecting the title to any share;
- (h) all instruments of transfer which are registered may be retained by the Company;
- (i) subject to the provisions of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, in its absolute discretion, determine provided that the Register of Members shall not be closed for more than thirty days in any year;
- (j) the Company may destroy all instruments of transfer and any other documents which shall have been registered or on the basis of which registration shall have been made at any time after the expiration of six years from the date of registration, all dividend mandates and any variation or cancellation thereof, any notification of changes of address or name at any time after the expiration of two years of the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation thereof, and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed shall have been a valid and effective instrument duly and properly registered and that every share certificate so destroyed shall have been a valid share certificate duly and properly cancelled and every other document mentioned in this paragraph so destroyed shall have been valid and effective and in accordance with the recorded particulars thereof in the books and records of the Company provided that these provisions shall apply only to the destruction of documents in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant. The Company shall have no liability whatsoever for any loss howsoever arising in respect of any document destroyed by the Company in accordance with this paragraph.

17. TRANSMISSION OF SHARES

- 17.1 If a member shall die the survivor or survivors, where the deceased was a joint holder, and the personal representatives of the deceased, where the deceased member was a sole or the only surviving joint holder, shall be the only persons recognised by the Company as having any title to the interest of the deceased member in the shares held by the deceased member. Nothing in these Articles shall release the estate of a deceased member (whether sole or joint holder of shares) from any liability to the Company in respect of any share which shall have been solely or jointly held by the deceased member.
- 17.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of the law may, upon receipt by the Company of such evidence as the Company may require to prove the title of such person to the

share, elect either to be registered as the holder of the share by giving notice to the Company or to transfer the share to any other person by signing an instrument of transfer or by any other means permitted by the Board. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other operative event had not occurred and the notice or transfer were an instrument of transfer signed by such member.

- 17.3 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall, upon receipt by the Company of such evidence as the Company may require to prove the title of such person to the share, be entitled to the rights to which such person would be entitled if such person were the registered holder of the share, except that such person shall not be entitled, in respect of the share, to exercise any right in relation to meetings of the Company until such person shall have been registered as the holder of the share.
- 17.4 The Board may give notice requiring a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law to notify the Company in writing that he wishes to be registered as the holder of the share or transfer such share to some other person. If no notification is received from such person within 60 days, the Board may withhold payment of all dividends and other amounts payable in respect of the share until the notification has been received or the transfer has been made.

18. UNTRACED MEMBERS

- 18.1 The Company shall be entitled to sell any share held by a member or a person who is entitled to the share as a consequence of the death or bankruptcy of a member or otherwise by operation of law (for the purposes of this Article each of whom is referred to as the "**Member**"), if:
- (a) the share has been issued for not less than twelve years; and
 - (b) during the period of twelve years immediately prior to the date of the publication of the first of the advertisements referred to in paragraph (c); no communication shall have been received by the Company from the Member and no cheque or warrant, sent by the Company through the post in a prepaid letter addressed to the Member at the address detailed in the Register of Members (or the last known address given by the Member) shall have been cashed and at least three dividends in respect of the share shall have become payable and no dividend in respect of the share shall have been claimed; and
 - (c) the Company shall have, on or after the expiry of such period of twelve years, placed advertisements in not less than one leading daily newspaper with a circulation throughout the United Kingdom and in a newspaper circulating in the area in which the address referred to in paragraph (b) shall be located giving notice of the Company's intention to sell the share; and

- (d) during the period of three months following the publication of such advertisements the Company shall have received no communication from the Member; and
- (e) the Company has informed the London Stock Exchange of its intention to sell the shares.

18.2 The Company shall also be entitled to sell, in the manner provided for in this Article, any share issued in respect of that share during the periods of twelve years and three months referred to in the immediately preceding Sub-Article.

18.3 To give effect to any sale pursuant to this Article the Company may appoint any person (in the case of a share in uncertificated form) to execute an instrument of transfer of the share or (in the case of a share in uncertificated form) to take such other steps as may be necessary to effect a transfer and the instrument of transfer or steps (as the case may be) shall be as effective as if the instrument of transfer had been executed or the steps had been taken (as the case may be) by the Member and the title of the transferee shall not be affected by an irregularity or invalidity in the procedures relating to the transfer.

18.4 The net proceeds of the sale of any share pursuant to this Article shall belong to the Company. The Company shall be obliged to account to the Member for an amount equal to the proceeds of the sale of the share and shall enter the name of such former holder of the share or other person in the books of the Company as a creditor for such amount. The amount payable to the former holder of the share or other person shall be a permanent debt of the Company. No trust shall be created in respect of the debt and no interest shall be payable in respect of the debt and the Company shall not be required to account for any money earned on the net proceeds of the sale, which may be employed in the business of the Company or invested in such manner as the Board may, from time to time, determine.

19. GENERAL MEETINGS

19.1 All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings.

19.2 The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the Act.

19.3 Any Director may, from time to time, convene a general meeting and, on members' requisition pursuant to the Act, the Board shall forthwith, convene an extraordinary general meeting.

20. NOTICE OF GENERAL AND CLASS MEETINGS

20.1 Every annual general meeting and any extraordinary general meeting at which it shall be proposed to pass a special resolution or an extraordinary resolution shall be called

on not less than twenty-one clear days' notice and any other extraordinary general meeting shall be called on at least fourteen clear days' notice.

- 20.2 Every notice convening a general meeting shall state the place, day and time of the meeting and the general nature of the business to be transacted at the meeting and in the case of an annual general meeting the notice shall state that the meeting is an annual general meeting. Every notice shall also state, with reasonable prominence, that a member entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member.
- 20.3 If a general meeting shall be convened for the consideration of and passing a special or extraordinary resolution, the notice convening the meeting shall also state the resolution in full and shall also state that it is intended to propose the resolution as a special or extraordinary resolution, as the case may be.
- 20.4 Any meeting of the Company shall, notwithstanding that such meeting is called by shorter notice than that specified in Sub-Article 19.1, be treated as having been duly called if the calling of the meeting on shorter notice shall be agreed to:
- (a) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (b) in the case of any other general meeting, by a majority in number of the members having a right to attend and vote at the meeting being a majority holding, in aggregate, not less than ninety-five per cent. in nominal value of the shares giving a right to attend and vote at the meeting.
- 20.5 No accidental omission or failure in sending to, or non-receipt of notice of any meeting by, any person entitled to be sent notice of that meeting, shall invalidate any resolution passed or any proceedings at that meeting.
- 20.6 If the Board has implemented an uncertificated securities facility in accordance with Article 11, the provisions of regulation 34 (as modified or re-enacted from time to time) of the Uncertificated Securities Regulations shall apply for the purposes of determining which persons are entitled to receive notices of or attend or vote at meetings of the Company, and how many votes such persons may cast.

21. PROCEEDINGS AT GENERAL MEETINGS

- 21.1 No business shall be transacted at any general meeting or at any adjourned general meeting unless a quorum shall be present when the meeting proceeds to business. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation or a corporation sole which is for the time being a member, shall be a quorum.
- 21.2 If within thirty minutes following the time appointed for the holding of a general meeting a quorum is not present or shall at any time during the meeting cease to be present, the meeting, if convened on the requisition of the members, shall be

dissolved. In any other case the general meeting shall stand adjourned to such time and place as the chairman of the meeting may determine. If at such adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting the member or members (whatever their number) present in person or by proxy and entitled to vote at the meeting shall be a quorum.

- 21.3 The chairman (if any) of the Board, failing whom the deputy chairman of the Board, shall preside at every general meeting. If there shall be no such chairman of the Board or deputy chairman of the Board present and willing to preside at a meeting, or if neither the chairman nor the deputy chairman shall be present within fifteen minutes following the time appointed for holding the meeting the Directors present at the meeting shall choose one of their number or, if only one Director shall be present, such Director shall be the Chairman. If no Director shall be present or if all the Directors present at the meeting decline to take the chair, the members present, in person or by proxy, shall choose one of their number to be chairman of the meeting,
- 21.4 The chairman of any general meeting at which a quorum is present may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn any meeting, from time to time, and from place to place or without fixing any time or place or places for the adjourned meeting.
- 21.5 The chairman of any general meeting may if it shall appear to him that it is likely to be impracticable to hold or continue to hold the meeting because of the number of members wishing to attend who are not present, adjourn to another time and place or places or without fixing any time or place for the adjourned meeting.
- 21.6 Subject to Sub-Article 21.15, if a general meeting shall be adjourned for thirty days or more or without fixing any time or place or places, not less than seven clear days' notice shall be given of the date on which the adjourned meeting shall be reconvened. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting adjourned.
- 21.7 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or upon the declaration of the result of the show of hands) a poll shall be demanded:
 - (a) by the chairman of the meeting; or
 - (b) by not less than two members present in person or by proxy and entitled to vote at the meeting; 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; or
 - (d) by a member or members present, in person or by proxy, and holding shares conferring a right to vote at the meeting being shares on which an aggregate

sum shall have been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

- 21.8 A demand for a poll may, before the poll is taken, be withdrawn but only with the approval of the chairman of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. In the case of a poll demanded before the declaration of the result of show of hands, the meeting shall continue as if the demand had not been made.
- 21.9 Unless a poll shall be demanded pursuant to the immediately preceding Sub-Article, a declaration by the chairman at any general meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect made in the minute book of the Company shall be conclusive evidence of the fact declared by the chairman without proof of the number of votes recorded in favour of or against such resolution.
- 21.10 A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken forthwith in such manner as the chairman shall direct. A poll demanded on any other question shall be taken at such time (not less than thirty days from the date of the general meeting or the adjourned meeting at which such poll was demanded) and place and in such manner as the chairman of the meeting shall direct. The result of any poll shall be treated as the resolution of the meeting at which the poll was demanded.
- 21.11 No notice need be given of a poll taken immediately following the poll being demanded. The demand for a poll may, before the poll is taken, be withdrawn if a simple majority of the meeting consent to the withdrawal on a show of hands.
- 21.12 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 21.13 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to the votes to which the chairman may be entitled as a member.
- 21.14 If any amendment shall be proposed to any resolution under consideration at a meeting and such amendment shall, in good faith, be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as an ordinary resolution, no amendment to such a resolution (other than by correcting grammatical or clerical errors which may be corrected as a matter of construction or by reducing the words to more formal language provided that the substance is identical) may be considered or voted upon unless written notice of the intention to move the amendment shall have been lodged at the Office no later than the seventh day prior to the date appointed for the holding of the relevant meeting (or adjourned meeting).
- 21.15 The provisions of this Sub-Article shall apply if any general meeting shall be convened at, or shall be adjourned to, more than one place:

- (a) The notice of any general meeting which shall be convened at, or shall be adjourned to, more than one place shall state the place at which the chairman of the meeting shall preside (the "**specified place**") and the Board shall make arrangements for simultaneous attendance and participation at the specified place and at other places by members; provided that persons attending at any particular place shall be able to see and hear and shall be able to be seen and heard by means of audio-visual links by the persons attending at the other place or places at which the meeting shall be held.
- (b) The Board may, from time to time, make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some geographical or regional means of selection or otherwise) as they shall, in the absolute discretion of the Board, determine, and may, from time to time, vary any such arrangements or make new arrangements in place of them, provided that a member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled to so attend at one of the other places; provided that the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as shall be, for the time being, in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.
- (c) For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the specified place.
- (d) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.

22. VOTES OF MEMBERS

- 22.1 Subject to any rights or restrictions as to voting attached to any shares, on a show of hands every member who is present in person (which expression shall, for the purposes of this Sub-Article, include a person present as the duly authorised representative of a corporate member acting in such capacity) or by proxy shall have one vote and on a poll every member present, in person or by proxy, and entitled to vote shall have one vote for each share of which he is, for the time being, the holder.
- 22.2 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered joint holders of the share; and for this purpose seniority shall be determined by the order in which the names of the joint holders stand in the Register of Members in respect of the share.
- 22.3 A member in respect of whom an order has been made by any court having competent jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning legal incapacity may not vote either on a show of hands or on a poll but any person authorised in that behalf by such court may on a show of hands or on a poll vote by proxy on such member's behalf. Evidence to the satisfaction of the Board of the

authority of the person claiming the right to vote on behalf of such a member shall be deposited at the Office not less than forty-eight hours before the time appointed for holding the general meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

- 22.4 No member shall be entitled to attend, vote or exercise any other right in respect of any share at any general meeting if any call or other sum which shall then be payable by such member to the Company in respect of that share shall remain unpaid.
- 22.5 A person entitled to cast more than one vote shall not be required to cast all his votes or cast all his votes in the same way.
- 22.6 No objection shall be raised as to the admissibility of any vote except at the general meeting or adjourned meeting at which the vote objected to shall be or may be cast. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive. Every vote not disallowed at such meeting shall be valid for all purposes and every vote disallowed shall be void for all purposes.

23. FORMS OF PROXY

- 23.1 A proxy need not be a member of the Company.
- 23.2 The appointment of a proxy shall be in any usual or common form or in any other form the Board may accept and in the case of an individual, shall be signed by the member or on behalf of the member by his attorney or, in the case of a corporate member, shall be signed on behalf of such member by an attorney or another duly authorised person. It shall not be necessary to witness the signature on any appointment of a proxy.
- 23.3 The appointment of a proxy and any power of attorney or other authority under which a proxy shall be signed, or a notarially certified duplicate copy of such power of attorney or other authority, shall,
 - (a) in the case of an instrument in writing, be deposited at such place as may be specified for that purpose in the notice convening the meeting or in the instrument of proxy or if no place is so specified at the Office, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument of proxy proposes to vote;
 - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications –
 - (i) in the notice convening the meeting, or
 - (ii) in any instrument of proxy sent out by the Company in relation to the meeting, or

- (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (c) in the case of a poll (other than a poll taken at or on the same day as the meeting or the adjourned meeting), not less than forty-eight hours before the time appointed for the taking of the poll. An appointment of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that an appointment of proxy relating to more than one meeting (including any adjournment thereof) once delivered for the purposes of any meeting shall not require to be delivered again for the purposes of any subsequent meeting to which it relates.

23.4 An appointment of a proxy shall be deemed to include the right to demand or join in demanding a poll, but shall not otherwise confer any right to speak at the meeting.

23.5 A corporation may execute a form of proxy under the hand of a duly authorised officer. A vote cast or poll demanded by a proxy or by the duly authorised representative of a corporation or corporation sole shall be valid notwithstanding the previous determination of the authority of the person voting or demanding the poll unless notice of the determination shall have been received at the Office not less than forty-eight hours before the commencement of any general meeting or any adjournment of such meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

23.6 A vote cast or demand for a poll made shall not be invalidated by the previous death or insanity of the member who appointed the proxy or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no written notice of such death, insanity or revocation shall have been received by the Company at the Office forty-eight hours or more before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

23.7 The Board may at the expense of the Company send appointments of proxy by post or otherwise, to the members (with or without provision for their return prepaid) for use at any general meeting. A proxy form must:

- (a) be sent with the notice convening a meeting for each person entitled to vote at the meeting;
- (b) provide for two-way voting on all resolutions intended to be proposed;
- (c) state that a member is entitled to appoint a proxy of his own choice and provide a space for insertion of the name of such proxy; and

- (d) state that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

The accidental omission to send such an appointment of proxy or to give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at the meeting.

24. CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

- 24. Any corporation or corporation sole which is a member of the Company may (in the case of a corporation, by resolution of the board of directors or other governing body of the corporation or by authority to be executed as a deed or under hand of any officer or officers duly authorised by the corporation) authorise such person as such corporation or corporation sole shall determine to act as its representative at any meeting of the Company. A person so authorised shall be entitled to exercise the same rights on behalf of such member as that member would be entitled to exercise were such member to be an individual member of the Company, and such member shall for the purposes of these Articles be treated as present in person at any meeting if a person so authorised is present at such meeting.

25. DISCLOSURE OF INTERESTS IN SHARES

- 25.1 If any member, or any other person appearing to be interested in shares held by such member, shall have been duly served with a notice under Section 212 of the Act ("**Section 212 Notice**") and shall have been in default for the prescribed period (as defined below in this Article) in supplying to the Company the information required by the Section 212 Notice, then (unless the Board shall otherwise determine) in respect of:

- (a) the shares in relation to which the default shall have occurred and any further shares which shall be issued in respect of such shares ("**Default Shares**"); or
- (b) any other shares held by the member;

the member shall (for so long as the default continues) not, nor shall any transferee to which any of such shares are transferred other than pursuant to an approved transfer within the meaning of paragraph (c) of Sub-Article 25.6 or pursuant to paragraph (b) of Sub-Article 25.2, be entitled to attend and vote either personally or by proxy at any general meeting of the Company or to exercise any other right conferred by membership in relation to general meetings.

- 25.2 Where the Default Shares represent not less than one-quarter of one per cent.(0.25%) in nominal value of the issued shares of any class of shares, the Board may, in its absolute discretion, by notice (a "**Direction Notice**") to such member direct that:

- (a) all or any part of any dividend or any other moneys which would otherwise be payable in respect of the Default Shares shall be retained by the Company

without any liability to pay interest thereon, and the member shall not be entitled to elect, pursuant to Sub-Article 37.18, to receive shares instead of any such dividend, but any dividend or other moneys withheld shall be paid to the member immediately following receipt by the Company of the information requested by the Section 212 Notice; and/or

- (b) no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer; or
 - (i) the member is not himself in default as regards supplying the information requested; and
 - (ii) the transfer is of part only of the member's holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is, for the time being, satisfied that none of the shares the subject of the transfer are Default Shares.

25.3 The Company shall send to each other person appearing to be interested in the shares which shall be the subject of any Direction Notice a duplicate copy of the Direction Notice. No Direction Notice shall be invalidated by any omission or neglect in sending or non-receipt of a Direction Notice.

25.4 Any Direction Notice shall have effect in accordance with the terms of such Direction Notice for so long as the default in respect of which such Direction Notice shall be issued shall continue and shall cease to have effect only upon the Board so determining (such determination to be made within one week immediately following the default being duly remedied and notice of such determination shall be sent forthwith to the member).

25.5 Any Direction Notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with paragraph (b) of Sub-Article 25.2.

25.6 For the purposes of this Article:

- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a Section 212 Notice and either (i) the member shall have named such person as being so interested; or (ii) (after taking into account the response of the member to the Section 212 Notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (b) the "**prescribed period**" is the period of twenty-eight days immediately following the date of service of the Section 212 Notice except that if the shares in respect of which the said notice shall be given represent not less than one-quarter of one per cent (0.25%) of the issued shares of any class of share at the time the Section 212 Notice shall be given, the prescribed period shall

be the period of fourteen days immediately following the date of the service of the Section 212 Notice; and

- (c) a transfer of shares is an **"approved transfer"** if the Board is satisfied that the transfer is made pursuant to a sale, in good faith, of the whole of the beneficial ownership of such shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the shares shall be normally traded.

25.7 The provisions of this Article are in addition to and shall not limit the provisions of the Act.

26. DIRECTORS

26.1 Unless otherwise determined by an ordinary resolution of the Company in general meeting the number of Directors shall not be less than 4 nor more than 12.

26.2 A Director shall not be required to hold any share by way of qualification. A Director who is not a member shall be entitled to attend and speak at any general meeting.

26.3 Unless otherwise determined by an ordinary resolution of the Company in general meeting the Company shall pay to the Directors such amount of aggregate fees as the Board decides (not exceeding **£300,000** per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the Directors in such proportion and manner as they may agree or, failing agreement, equally, except that any Director holding the office of Director for part only of a year shall be entitled to remuneration only for that proportion of the year he has spent as a Director.

26.4 Each Director shall be repaid all travelling, hotel and other expenses properly and necessarily incurred by him in connection with the performance of his duties as a Director, as agreed with the Company.

26.5 The Board may, from time to time, determine that the Company pay remuneration by way of salary, commission or otherwise or provide other benefits in addition to that payable pursuant to Sub-Article 26.3, to any Director who shall hold any executive office or serve on any Committee or perform services to the Company which in the opinion of the Board shall be outside the scope of the ordinary duties of a Director.

27. APPOINTMENT AND RETIREMENT OF DIRECTORS

27.1 Subject to the other provisions of this Article, the Company may, from time to time, by ordinary resolution in general meeting appoint any person to be a Director, either to fill a casual vacancy or as an additional Director.

27.2 The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board pursuant to this

Article, shall hold office only until the next following annual general meeting and shall at such meeting be eligible for re-appointment, but shall not be taken into account in determining the number of Directors who shall be required to retire by rotation at such meeting.

- 27.3 Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira and The Tokyo Settlement shall together have the right to appoint three Directors to the Board of the Company (and to remove and replace the same), for so long as they hold or are interested in more than 29.09% of the Ordinary Shares of the Company in issue (and for the purposes of this Article 27.3 Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira and The Tokyo Settlement shall be deemed to be interested in any Ordinary Shares of the Company which are held by any person connected or associated with either of them (within the meaning of Section 839 of the Income and Corporation Taxes Act 1988 or Section 346 of the Companies Act 1985) or in which such connected or associated person is interested). For so long as Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira and The Tokyo Settlement together hold or are interested in between 15% and 29.09% (inclusive) of the Ordinary Shares of the Company in issue, they shall have the right to appoint two Directors to the Board of the Company (and to remove and replace the same). For so long as Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira and The Tokyo Settlement together hold or are interested in between 7.5% and 15% (inclusive) of the Ordinary Shares of the Company in issue, they shall have the right to appoint one Director to the Board of the Company (and to remove and replace the same). Such appointment or removal shall, subject to the provisions below, be made by notice in writing signed by Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira and The Tokyo Settlement and served upon the Company at its registered office, upon which each such Director's appointment or removal and replacement becomes effective. If at any time Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira and The Tokyo Settlement's combined holding or interest in the Ordinary Shares of the Company shall fall to 29.09% or below but remain at or above 15% of the Ordinary Shares in issue then the last appointed Director shall be deemed to have ceased to be a Director immediately upon such person's holding or interest falling to 29.09% or below but at or above 15% unless Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira or The Tokyo Settlement notifies the Company in writing at any time prior to their holding or interest falling to 29.09% or below of which Director appointed by them shall cease to be a Director upon the occurrence of such event. If at any time the said persons' holdings or interests in the Ordinary Shares of the Company shall fall to 15% or below but at or above 7.5% of the Ordinary Shares in issue then the next appointed Director appointed by such persons' shall cease to be a Director immediately upon such persons' holdings or interests falling below 15% unless Walbrook International Trust Company Limited, Luna Trading Limited, David Ciclitira or The Tokyo Settlement notifies the Company in writing at any time prior to their holding or interest falling to 15% or below of which Director appointed by them shall cease to be a Director upon the occurrence of such event. If at any time the said persons' holdings or interests in the Ordinary Shares of the Company shall fall below 7.5% of the Ordinary Shares in issue then the remaining Director appointed by such persons' shall cease to be a Director immediately upon such persons' holdings or interests falling below 7.5%.

27.4 Park House Holdings Limited shall have the right to appoint two Directors to the Board of the Company and to remove and replace the same, for so long as they hold or are interested in more than 15% of the Ordinary Shares of the Company in issue (and for the purposes of this Article 27.4 Park House Holdings Limited shall be deemed to be interested in any Ordinary Shares of the Company which are held by any person connected or associated with them (within the meaning of Section 839 of the Income and Corporation Taxes Act 1988 or Section 346 of the Companies Act 1985) or in which such connected or associated person is interested). For so long as Park House Holdings Limited hold or are interested in between 7.5% and 15% (inclusive) of the Ordinary Shares of the Company in issue, they shall have the right to appoint one Director to the Board of the Company (and to remove and replace the same). Such appointment or removal shall, subject to the provisions below, be made by notice in writing signed by Park House Holdings Limited and served upon the Company at its registered office, after which each such Director's appointment or removal and replacement becomes effective. If at any time Park House Holdings Limited holding or interest in the Ordinary Shares of the Company shall fall to 15% or below but remain at or above 7.5% of the Ordinary Shares in issue then the last appointed Director shall be deemed to have ceased to be a Director immediately upon such person's holding or interest falling to 15% or below but at or above 7.5% unless Park House Holdings Limited notifies the Company in writing at any time prior to their holding or interest falling to 15% or below of which Director appointed by them shall cease to be a Director upon the occurrence of such event. If at any time the said persons' holdings or interests in the Ordinary Shares of the Company shall fall below 7.5% of the Ordinary Shares in issue then the remaining Director appointed by such persons' shall cease to be a Director immediately upon such persons' holdings or interests falling below 7.5%.

27.5 The office of Director shall be vacated if the Director:

- (a) shall cease to be a Director by reason of any provision of the Act or he shall become prohibited by law from being a Director;
- (b) shall have a receiving order made against him, become bankrupt or shall make any arrangement or composition with his creditors generally;
- (c) shall resign from the office of Director by notice addressed to the Board at the Office, or if the Director shall offer to resign his office by notice addressed to the Board and the Board shall determine to accept such offer;
- (d) shall become legally incapable or otherwise incapacitated;
- (e) shall be absent without leave from Board meetings for six consecutive months and the Board shall have determined that his office as a Director be vacated;
- (f) shall be removed from office as a Director on notice signed by all the other Directors; provided that if the Director shall, on being so removed, hold an executive office which shall terminate on his ceasing to be a Director, such removal shall be treated as an act of the Company and shall be effective, but

without prejudice to any claim for damages for breach of any contract of service and/or Loss of Office between the Director and the Company,

provided in each case that if any such outgoing Director was appointed pursuant to Article 27.3 or 27.4 the party which appointed him pursuant to such Article shall be entitled to replace him in accordance with such Article.

- 27.6 At each annual general meeting one third of all Directors shall be subject to retirement by rotation or if the number of Directors shall not be a multiple of three then the number nearest to but not exceeding one third of the Directors shall retire from office as Directors provided that directors appointed by Walbrook International Trust Company Limited and/or Luna Trading Limited and/or Park House Holdings Limited shall not be required to retire.
- 27.7 The Directors to retire by rotation at each annual general meeting shall include (so far as necessary to obtain the number required pursuant to the immediately preceding Sub-Article) any Director who wishes to retire and not to offer himself for re-appointment. Any further Directors so required to retire shall be the Directors who shall have been longest in office since their appointment or last re-appointment; as between Directors of equal seniority the Directors to retire shall in the absence of agreement be determined by lot.
- 27.8 The number and identity of Directors to retire at each annual general meeting shall be determined by the Board before or on the date of the notice convening the relevant annual general meeting and no Director shall be required to retire, or be relieved from retiring, by reason of any change in the number or identity of the Directors after the date of the relevant notice but before the close of the relevant annual general meeting.
- 27.9 Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment and the Company, at the annual general meeting at which a Director shall retire, may by ordinary resolution re-appoint the Director who shall so retire or any other person eligible for appointment as a Director. If no such vote shall be taken the retiring Director shall, if offering himself for re-appointment, be treated as having been re-appointed, unless:
- (a) at the relevant annual general meeting it is expressly determined by Ordinary resolution not to fill the office of Director so vacated;
 - (b) an ordinary resolution for the re-appointment of the Director shall have been put to the meeting and lost; or
 - (c) the Director has attained any retirement age by or pursuant to these Articles or otherwise made applicable to him as a Director.
- 27.10 No retirement by rotation at an annual general meeting shall have effect until the end of that meeting, unless an ordinary resolution shall be passed to appoint some other person to fill the office of Director to be vacated by the retiring Director, or an ordinary resolution for the retiring Director's re-appointment shall be put to the meeting and lost. Accordingly, any retiring Director who shall be re-appointed, or shall be treated as having been re-appointed, shall continue in office as a Director

without a break in the continuity of his appointment as a Director notwithstanding his retirement at the meeting.

- 27.11 A Director attaining the age of 70 shall retire at the first annual general meeting after the date of his seventieth birthday where he shall then be eligible for re-election for the period from the annual general meeting until the end of the next following annual general meeting when again he shall retire.
- 27.12 No person not being a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for appointment to the office of Director at any general meeting unless, not less than seven nor more than twenty-eight days before the day appointed for the meeting there shall have been received by the Secretary notice from a member (other than the person to be proposed) entitled to attend and vote at the meeting for which such notice shall be given of the intention of such member to propose such person for appointment and notice, signed by the person to be proposed, of his willingness to be elected.
- 27.13 The Company may, subject to the provisions of the Act, by ordinary resolution in general meeting of which special notice has been given remove any Director from his office as Director (*notwithstanding any provision of these Articles or of any contract between the Company and such Director, but without prejudice to any claim he may have for damages for breach of his service contract, if any*) and by ordinary resolution at that meeting appoint any other person to the office of Director vacated by the Director so removed provided in each case that if any such outgoing Director was appointed pursuant to Article 27.3 or 27.4 the party which appointed him pursuant to such Article shall be entitled to replace him in accordance with such Article. Subject as aforesaid any person so appointed by the Company shall retire by rotation at the time the Director in whose place he shall have been appointed would have retired by rotation but for his removal. If the Company shall not appoint a person to fill any vacancy arising on the removal of a Director, the Board may appoint any person to the office of Director so vacated; provided that no such appointment shall be considered an appointment to fill a casual vacancy or the appointment of an additional Director.
- 27.14 At a general meeting, a motion for the appointment of two or more persons as a Director of the Company by a single resolution shall not be made, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

28. EXECUTIVE DIRECTORS

- 28.1 The Board may from time to time appoint one or more Directors to be the holder of any executive office on such terms and conditions and for such period as the Board may (subject to the provisions of the Act) determine and, without prejudice to the terms and conditions of any contract of service which the Company may enter into regarding any such appointment, may at any time revoke any such appointment.
- 28.2 The appointment of any Executive Director to any executive office shall terminate if such Executive Director ceases to be a Director but without prejudice to any claim

such Executive Director may have for damages for breach of any contract of service between such Executive Director and the Company.

- 28.3 The Board may entrust to and confer upon an Executive Director any of the powers exercisable by the Board upon such terms and conditions and subject to such restrictions as the Board shall determine and either collaterally with, or to the exclusion of, the Board's own powers and may, from time to time, revoke, withdraw, alter or vary all or any of the powers so conferred by the Board.

29. DIRECTORS' INTERESTS

- 29.1 Subject to the Act, a Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company shall be party or in which the Company shall in any way be interested and a Director may hold and be remunerated in respect of any office (other than the office of Auditor) or employment in the Company, or any other company in which the Company is in any way interested, and a Director (or any firm in which he is a partner) may act in a professional capacity for the Company or any such other company, and may be remunerated therefor and in any such case a Director (or his firm) may retain for his (or his firm's) absolute benefit all profits accruing to him (or his firm) thereunder.
- 29.2 Save as provided below in this Article, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in connection with which the Director has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest other than a material interest arising as a consequence only of the Director's holding of 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 Board meeting in relation to any resolution of the Board in respect of which the Director shall be so precluded from voting.
- 29.3 Notwithstanding the provisions of this Article but subject to the provisions of the Act, a Director shall (provided that he has no other material interest) be entitled to vote (and be counted in the quorum of a Board meeting) in respect of any resolution of the Board which concerns the following matters:
- (a) the giving of any security, guarantee or indemnity in respect of:
 - (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of any member of the Group; or
 - (ii) a debt or obligation of any member of the Group for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
 - (b) where any member of the Group is offering shares or debentures or other securities in which offer, the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

- (c) any contract, arrangement or proposal relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (d) any contract, arrangement or proposal relating to an arrangement for the benefit of the employees of any member of the Group which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (e) any contract, arrangement or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

29.4 Where proposals are under consideration concerning the appointment (including, but without limitation, fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any member of the Group such proposals may be considered in relation to each Director separately and each of the Directors concerned (subject to the other provisions in this Article) shall be entitled to vote (and be counted in the quorum of the Board meeting) in respect of each resolution of the Board, except that concerning the Director's own appointment.

29.5 If any question shall arise at any Board meeting as to the materiality of a Director's interest, or as to the entitlement of any Director to vote or be counted in a quorum and any such question shall not be resolved by the Director voluntarily agreeing to abstain from voting, any such question shall be determined by the Board (other than the Director the materiality of whose interest or the entitlement of whom to vote shall be in issue) present at the Board meeting and in the case of an equality of votes the chairman of the meeting (unless the chairman shall be the Director the materiality of whose interest or the entitlement of whom to vote shall be in issue) shall have a second and casting vote and the determination of the Board shall be final and conclusive, except where the nature or extent of the interests of the Director concerned have not been fairly disclosed. Pending any ruling under this Sub-Article, Sub-Article 29.2 shall apply to the Director in question.

29.6 A general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract, transaction, arrangement or proposal of the nature and extent so specified.

29.7 An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

30. POWERS OF THE BOARD

30.1 The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercisable and done by the Company, and as shall not be required by the Act, the

Memorandum or these Articles, to be exercised or done by the Company in general meeting. The exercise of all such powers by the Board shall be subject to these Articles, to the provisions of the Act, and any directions, from time to time, of the Company by special resolution in general meeting. No direction so resolved on by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such resolution had not been passed.

- 30.2 Subject to Article 30.1 but without prejudice to the provisions of these Articles, the Board may at any time seek the views of all or any of the shareholders of the Company (or any class thereof) on any matter in such manner as the Board shall think fit. In particular, without limitation, the Board may organise postal ballots and determine all matters relating to the conduct of such ballots.
- 30.3 The Board may, from time to time, establish any local boards or agencies for managing any of the business of the Company (either in the United Kingdom or elsewhere), and may appoint any persons to be members of such local boards or agencies and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions as shall vest in the Board, with or without power to sub-delegate, and may authorise members of any local board to fill any vacancies on that local board, 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 determine, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing with any local board or agency in good faith and without notice of any such annulment or variation, shall be affected thereby. No person so appointed to any local board or agency shall by reason only of that appointment be treated as a Director.
- 30.4 The Board may, from time to time, and at any time by power of attorney or otherwise appoint any company, firm or person or any body of persons (the number of whom may vary), whether nominated directly or indirectly by the Board to be the agent, agents, 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 Board under these Articles or by the Act) and for such period and subject to such terms and conditions as the Board may determine and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and for sub-delegation of all or any of the powers, authorities and discretions vested in such attorney.
- 30.5 The Board may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in and contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are for the time being or shall have been in the employment or service of any member of the Group or any of their predecessors in business (any "**Predecessor**"), who shall be or shall have been Directors or officers of any member of the Group or any Predecessor or who shall hold or shall have held executive positions or contracts for service with any member of the Group or any Predecessor, and the wives, husbands, widows, widowers, families, dependants and beneficiaries of any such persons. The Board may also establish, subsidise and subscribe to any institutions,

associations, societies, clubs or funds considered to be for the benefit of or to advance the interests and well-being of the Company, or of any such person as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid. Any Director who shall hold or shall have held any such executive position or had a contract for service shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument.

- 30.6 The Board may also establish and maintain any employees' share scheme or other share option, share incentive or profit sharing scheme approved by ordinary resolution of the Company in general meeting whereby selected employees of the Company are given the opportunity to acquire shares on the terms and subject to the conditions detailed in such scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer allotment or issue to trustees of shares to be held for the benefit of employees (including, but subject to the provisions of the Statutes, any Directors and officers) of the Company and subject to the Act lend money to such trustees or employees to enable them to purchase such shares; provided that if any shares are to be issued to employees or trustees under the provisions of any such scheme then such scheme shall be approved by a special resolution of the Company in general meeting and these Articles shall be treated as being altered so far as appropriate by the special resolution of the Company in general meeting approving such scheme.
- 30.7 Without prejudice to the provisions of Article 44 the Board shall have power to purchase and maintain insurance for or for the benefit of any persons who shall be or shall have been Directors, officers, employees or Auditors of the Company, any holding company of the Company or of any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or has had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other body (together "Relevant Company"), or who are or were at any time trustees of any pension fund or employees' share scheme in which any employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company or any such pension fund or employees' share scheme.
- 30.8 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 Board shall from time to time determine.
- 30.9 Subject to and to the extent permitted by the Statutes, the Company, or the Board on behalf of the Company, may cause to be kept in any territory a branch register of

members resident in such territory, and the Board may make and vary such regulations as they may think fit respecting the keeping of such register.

31. POWERS OF BORROWING AND MORTGAGING

31.1 Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and (subject to the Statutes) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any of its subsidiary undertakings or of any third party.

31.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control or rights of influence exercisable by the Company in relation to its subsidiary undertakings (if any) so as to ensure (as regards subsidiary undertakings so far as by such exercise the Company can ensure) that the aggregate of the moneys borrowed by the Group and remaining outstanding at any time (excluding intra-Group borrowings) shall not without the previous sanction of an ordinary resolution of the Company exceed the greater of: (1) an amount equal to 3 times the aggregate of Adjusted Capital and Reserves or (2) US\$ 40,000,000.

31.3 For the purpose of this Article 31 the "Adjusted Capital and Reserves" means the:

- (a) the nominal amount of the share capital of the Company issued and paid up; and
- (b) the amounts shown as standing to the credit of capital and revenue reserves of the Group, including any share premium account, capital redemption reserve, revaluation reserve and profit and loss account (but deducting therefrom the amount, if any, standing to the debit of the profit and loss account)

all as shown in a consolidation of the then latest audited balance sheets of the Company and its subsidiary undertakings; but

- (i) adjusted in respect of any variations in the issued and paid up share capital, share premium account or capital redemption reserve fund effected or any distributions made (otherwise than within the Group) since the date of such balance sheets except insofar as provided for therein; and
- (ii) excluding therefrom any amounts set aside for taxation and, to the extent included, any amounts attributable to outside shareholdings in subsidiary undertakings; and
- (iii) excluding therefrom a sum equal to the book value of goodwill other than goodwill arising out of such consolidation; and
- (iv) adjusted in such other manner as the Auditors shall consider appropriate.

31.3 For the purpose of this Article:

- (a) share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up and if the Company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following twelve months shall be deemed to have been paid up;
- (b) any company which it is proposed shall become a subsidiary undertaking contemporaneously with any relevant transaction shall be treated as if it had already become a subsidiary undertaking;
- (c) the following shall (unless otherwise taken into account) be deemed to be included in moneys borrowed (1) debentures issued in whole or in part for a consideration other than cash, (2) amounts outstanding under acceptance credits (other than in respect of the purchase of goods in the ordinary course of trading), (3) the nominal amount of any share capital issued and the principal amount of any moneys borrowed the redemption or repayment whereof is guaranteed by the Company or by any subsidiary undertaking except insofar as such share capital is for the time being held by or such moneys are for the time being owing to, and the beneficial interest therein is vested within, the Group;
- (d) any fixed premium payable on final redemption or repayment of any debentures or other borrowed moneys or share capital shall be taken into account as an addition to the principal or nominal amount thereof;
- (e) moneys borrowed shall be deemed not to include borrowings for the purposes of repaying the whole or any part of moneys borrowed by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period;
- (f) when the aggregate principal amount of moneys borrowed required to be taken into account for the purposes of this Article on any particular date is being ascertained, (1) any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the spot rate of exchange of any bank approved by the Auditors prevailing on such date in London at 11.00 a.m. on the date on which the calculation is made and (2) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of such borrowing for the purpose of this Article, the amount of such borrowing to be taken into account for the purpose of this Article shall be such lesser amount.

- 31.4 No person dealing with the Company or any of its subsidiary undertakings shall by reason of the foregoing provision be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or the security given express notice that the said limit had been or would thereby be exceeded.
- 31.5 A certificate or report by the Auditors as to the amount of the moneys borrowed or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.

32. MEETINGS AND PROCEEDINGS OF THE BOARD

- 32.1 Subject to the provisions of the Act, the Board may meet for the despatch of business, adjourn and otherwise regulate such meetings as the Board shall determine. Board meetings may take place in any part of the world and may take place by means of telephonic, conference telephone, video link or any other audio or audio-visual communication notwithstanding that the Board members present by any such means of communication may not all be meeting in the same place provided that each Director shall be able to speak to each of the other Directors and to be heard by each of the other Directors simultaneously. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.
- 32.2 A Director who shall be able to take part in any Board meeting which shall take place pursuant to the immediately preceding Sub-Article shall be treated as being present at the Board meeting and accordingly shall subject to the other provisions of these Articles be entitled to vote and be counted towards a quorum.
- 32.3 The quorum necessary for the transaction of business at a meeting of the Board may be fixed, from time to time, by the Board and unless so fixed shall be three Directors. Any meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretions exercisable for the time being by the Board.
- 32.4 The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.
- 32.5 A Director may, and on the request of a Director the Secretary shall, at any time convene a Board meeting. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to

him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and if no request is made to the Board it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

- 32.6 Matters arising at any Board meeting shall be determined by a simple majority of votes. If there shall be an equality of votes the chairman of the meeting shall have a second and casting vote.
- 32.7 The Board may from time to time appoint any Directors to be chairman and a deputy chairman (or two or more deputy chairmen) and determine the period for which each shall hold such office (provided that any Director holding the office of Chairman of the Company for the time being shall preside as chairman of Board meetings at which he is in attendance unless the Board shall otherwise determine). The chairman, or in his absence any deputy chairman, shall preside at Board meetings.
- 32.8 If there shall be more than one deputy chairman for the time being the right to preside at a Board meeting in the absence of the chairman shall be determined, as between the deputy chairmen present, by seniority in length of continuous appointment as a Director or as the Board shall otherwise determine.
- 32.9 If no chairman or deputy chairman shall be appointed for the time being or if at any Board meeting the chairman or any deputy chairman shall not be present within five minutes after the time appointed for holding the meeting, the Board shall choose one of the Directors present to be chairman of that meeting.
- 32.10 The Board may delegate all or any of its powers, authorities or discretions to Committees consisting of one or more Directors and (if so determined) one or more other persons co-opted as provided in the Sub-Article immediately following this Sub-Article. Insofar as any such power, authority or discretion is or shall be delegated to a Committee, any reference in these Articles to the exercise by the Board of the power, authority or discretions so delegated shall be read and construed as if such reference were a reference to the exercise thereof by such Committee. Any Committee so formed shall, in the exercise of the powers and discretions so delegated, conform to any regulations that may, from time to time, be imposed upon such Committee by the Board. The meetings and proceedings of such Committees shall be governed by the provisions of these Articles regulating Board meetings and proceedings so far as the same are not superseded by any regulation made by the Board from time to time. Accordingly the provisions of these Articles relating to and regulating the Board meetings shall, with any necessary modifications, apply to the meetings of each Committee. The power to delegate contained in this Sub-Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference may be made to particular powers, authorities or discretions being exercised by the Board or by a Committee authorised by the Board.
- 32.11 Any Committee shall have the power, unless the Board shall otherwise determine, to co-opt as a member or members of the Committee for a specific purpose any person(s) who shall not be member(s) of the Board or of the Company; provided that

no person shall be so co-opted if as a consequence of that person being co-opted the number of persons so co-opted would be equal to or greater than the number of members of such Committee who are Directors and no determination of a Committee shall be effective unless a majority of the members of such Committee present at the meeting shall be Directors.

- 32.12 Without limitation to any other Article, the Board may delegate to a Committee all of its powers, authorities and discretions regarding the remuneration of the Directors.
- 32.13 All acts done by or pursuant to any Board or Committee meeting or by any person acting as a Director or as a member of a Committee, shall, as regards all persons dealing in good faith with the Company, and notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of any Director or member of a Committee acting as aforesaid, or that the Directors or any of the Directors were disqualified or had ceased to be Directors or a Director, be as valid as if every such person had been duly appointed and was qualified to be and had continued to be a Director or member of the Committee and had been entitled to vote.
- 32.14 The Board shall ensure that proper minutes shall be made of all general meetings, all appointments of Directors and other officers, all proceedings at Board and Committee meetings and of the attendances at such meetings and all business transacted at such meetings. Minutes of any meeting, if purporting to be signed by the chairman of the meeting, shall be conclusive evidence of the facts stated in those minutes.
- 32.15 A resolution in writing signed or approved by telefax, fax, cable, or telephone subsequently confirmed by telefax, facsimile transmission, cable or letter by all the Directors or by all the members of the Committee in each case or all the Directors or Committee members entitled to vote on the relevant issue(s) shall be valid and effective for the purposes of determining any matters which may be dealt with at a Board meeting or Committee meeting and shall be treated as if the resolution had been passed unanimously at a duly convened Board or Committee meeting and may consist of several documents in the same form each signed by one or more of the relevant Directors or Committee members.

33. ALTERNATE DIRECTORS

- 33.1 Any Director (other than an alternate Director) may, from time to time, by notice under his hand and received at the Office, or delivered to a meeting of the Board appoint or revoke the appointment of any person (including, but without limitation, another Director) to be his alternate Director. The appointment of any person as an alternate Director (not being a Director) shall be conditional upon and only effective upon being approved by the Board.
- 33.2 Any alternate Director shall (unless he shall be absent from the United Kingdom) be entitled to be sent notices of meetings of the Board or of any Committees of which the Director is a member and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him shall not be present and generally at such meeting shall have and be able to exercise all the functions of the Director appointing him.

- 33.3 If a Director ceases to be a Director the appointment by the Director of any alternate Director shall determine; provided that if any Director retires at any general meeting (whether by rotation or otherwise) but shall be re-appointed, any appointment of an alternate made by him pursuant to this Article which shall have been in force immediately prior to his retirement shall continue to be operative after his re-appointment as if he had not so retired. An alternate Director shall not be treated as the agent of the Director who appointed him and shall be responsible for his own acts and defaults.
- 33.4 If an alternate shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative but he shall not be counted more than once for the purposes of a quorum.
- 33.5 If the Director for whom an alternate is appointed is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability the alternate's signature to any resolution in writing of the Directors shall be as effective as the signature of the Director for whom he is appointed an alternate.
- 33.6 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to the Director for whom he is appointed an alternate as such Director may by notice in writing to the Company from time to time direct.

34. SECRETARY

- 34.1 Subject to the Act, the Board may, from time to time, appoint a person or persons as the Secretary on such terms and conditions and for such period as the Board may determine. Any Secretary so appointed may, at any time, be removed from the office of Secretary by the Board; provided that any such removal shall be without prejudice to any claim for damages for breach of any contract of service between the Secretary and the Company. The Board may appoint two or more persons as joint secretaries. The Board may also appoint assistant secretaries and deputy secretaries.
- 34.2 Anything which the Act or these Articles require or authorise to be done by or to the Secretary may if the office of Secretary is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board; provided that where any provision of the Act or these Articles requires or authorises a thing to be done by or to a Director and the Secretary it shall not be satisfied by that thing being done by or to one and the same person acting both as Director and as, or in the place of, the Secretary.

35. THE SEAL

- 35.1 The Board shall provide for the safe custody of the Seal and of any Securities Seal and any facsimile of the Seal adopted pursuant to this Article. None of the Seal, the Securities Seal and any facsimile of the Seal adopted pursuant to this Article shall be used without the prior authority and in accordance with such authority of the Board or a Committee authorised by the Board on behalf of the Board.
- 35.2 Every instrument with which the Seal shall be impressed shall be autographically signed by two Directors or by one Director and the Secretary or any other person or persons appointed by the Board provided that as regards share certificates or certificates for other securities, the Board may determine that the presence of such persons and their signatures or of either of them shall be dispensed with and/or that their signatures shall be affixed by some method or system of mechanical signature.
- 35.3 Where the Act so permits any instrument signed by two Directors or by one Director and the Secretary and expressed to be executed by the Company shall have the same effect as if executed under the Seal provided that no instrument shall be signed pursuant to this Sub-Article which shall make it clear on the face of such instrument that the instrument is intended by the person or persons making the instrument to have effect as a deed without the prior authority in writing of the Board.
- 35.4 The Securities Seal shall only be used for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents impressed with the Securities Seal shall not be required to be signed.
- 35.5 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Board.

36. AUTHENTICATION OF DOCUMENTS

36. 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, and any resolutions passed by the Company or the Board or any Committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or any Committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in good faith and in reliance thereon that such resolution shall have been duly passed or, as the case may be, that such minutes are or extract is a true and accurate record of proceedings at a duly constituted meeting.

37. DIVIDENDS

- 37.1 The Company may, from time to time, by ordinary resolution in general meeting, declare dividends in accordance with the respective rights of the members; provided that no dividend shall exceed the amount which shall be recommended by the Board.

- 37.2 Unless and to the extent that the rights which attach to any shares or the terms of issue of any shares shall otherwise provide, all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend shall be paid. For the purposes of this Sub-Article, no amount paid on a share in advance of any call on that share shall be treated as paid up on the share.
- 37.3 No dividend shall be paid otherwise than out of profits available for distribution in accordance with the Act.
- 37.4 Subject to the Act, the Board may, from time to time, authorise the payment of interim dividends if the Board shall determine that the payment of an interim dividend shall be justified by the level of profits of the Company available for distribution.
- 37.5 If at the time the Board shall determine to pay an interim dividend the Company shall have more than one class of shares in issue, the Board may pay interim dividends on shares which confer on the holders of those shares deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend; provided that no interim dividend shall be paid on any share carrying deferred or non-preferred rights, if at the time of payment, any preferential dividend shall be in arrears.
- 37.6 If the Directors shall act in good faith they shall not incur any liabilities to the holders of shares conferring any preferred rights for any loss that they may suffer by the proper payment of an interim dividend on any shares having deferred or non-preferred rights.
- 37.7 The Board may, from time to time, authorise the payment, at intervals which shall be determined by the Board, of any dividend which may be payable at a fixed rate if the Board shall determine, provided that the payment of a dividend at a fixed rate shall be justified by the level of the profits of the Company available for distribution.
- 37.8 The Company may, from time to time, upon the recommendation of the Board, by ordinary resolution in general meeting, direct payment of any dividend in whole or in part by the distribution of specific assets of the Company. The Board shall give effect to any such ordinary resolution. In effecting any such ordinary resolution, the Board may issue fractional share certificates, authorise any person to sell and transfer any fractional share entitlement, disregard any fractional share entitlement, fix the value for distribution of any such specific asset or any part of any such asset, determine that cash payments shall be made to any members on the basis of any value so fixed in order to adjust the rights of those persons who shall be entitled to participate in the dividend and vest any such specific assets in trustees as it shall determine expedient.
- 37.9 Any dividend or other moneys payable in cash on or in respect of any share may be paid:
- (i) by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or if two or more persons shall be registered as joint holders of a share or shall be entitled to the dividend or other moneys in consequence of the death or bankruptcy of the holder of the

share or otherwise by operation of law to any one of such joint holders or person) or to such other address as such member or other person or persons may by notice in writing direct, or

- (ii) by inter-bank transfer to such account as the payee or payees may in writing direct; or
- (iii) by such other method of payment as the member (or in the case of joint holders, of a share, all of them) may agree with the Company.

Every such cheque or warrant shall be made payable to the order of the person to whom such cheque or warrant shall be sent or to such person as the holder of or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder of the share or otherwise entitled to the share by operation of law may direct and the payment of the cheque or warrant by the banker upon whom such cheque or warrant shall be drawn shall be 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. Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Board may determine.

- 37.10 The Company shall be entitled to cease sending dividend cheques, warrants or orders to a member or person entitled thereto if on two or more consecutive occasions, such cheques, warrants or orders shall have been returned to the Company or shall remain uncashed or if following one such occasion reasonable enquiries have failed to establish any new address of such member or person; provided that if the member or person entitled to any cheque, warrant or order notifies the Company of such entitlement the Company shall send such cheque, warrant or order to such member or person.
- 37.11 If two or more persons shall be registered as joint holders of any share or shall be entitled to a share in consequence of the death or bankruptcy of the holder of a share or otherwise by operation of law, any such persons may give a receipt for any dividend or other moneys payable or property distributable on or in respect of the share.
- 37.12 The Board may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share all such sums of money (if any) as may be due and payable by such member, whether alone or jointly with any other member, to the Company on account of calls on or otherwise in respect of the share.
- 37.13 The Board may retain any dividend or other moneys payable on or in respect of any share on which the Company shall have a lien, and may apply such retained dividend or other moneys in or towards the satisfaction of moneys payable to the Company in respect of which the lien shall exist.
- 37.14 The waiver, in whole or in part, of any dividend payable on any share contained in any notice shall be effective if the waiver shall be signed by the holder or any joint holder of the share (or the person or persons entitled to the share in consequence of

the death or bankruptcy of the holder of the share or otherwise by operation of law) and shall be received by the Company and to the extent of the waiver contained in the notice shall be acted upon by the Company.

- 37.15 All dividends or other moneys payable on, or in respect of, any share which shall not be claimed after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The payment of any such unclaimed dividend or other moneys into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof.
- 37.16 Any dividend which shall remain unclaimed for twelve years or more from the date of declaration of such dividend shall be forfeited and shall on such forfeiture belong to the Company.
- 37.17 No dividends or other moneys payable on or in respect of a share shall bear interest.
- 37.18 (a) The Board may at their discretion and subject to the provisions of this Article decide at the same time as they resolve to announce the intention to pay or resolve to recommend any dividend that each member shall have the option to elect not to participate in such dividend and to receive instead an issue of shares credited as fully paid to the extent and within the limits and on the terms and conditions set out below.
- (b) If the Board resolve to make such option available in relation to any dividend each member may, by notice in writing to the Company (a "**Notice of Election**") given in such form and within such period as the Board may from time to time decide (which for the avoidance of doubt may include a perpetual election subject to revocation), elect not to receive (subject as provided in paragraph (c) of this Sub-Article) the dividend which otherwise would have been paid to him in cash as such dividend on all or so many of his shares as he shall specify in the Notice of Election and to receive in place thereof additional shares to be issued and allotted to him, credited as fully paid, so that the number of shares so issued and allotted shall be the whole number (fractions of a share being treated in accordance with paragraph (e) of this Sub-Article) determined by means of the formula:

$$\frac{A \times B}{C}$$

where:

- A equals the number of shares in respect of which such election has been made;
- B equals the amount of the cash dividend without tax credit payable on one share as if no such election had been made (expressed in terms of pence and fractions of a penny) less any amount (the "**non-electable amount**") of such dividend (if any) per share to which the Board have pursuant to paragraph (c) of this Sub-Article resolved that the

right of election conferred on holders of shares by the provisions of this paragraph (b) shall not apply; and

C equals the greater of:

- (i) the nominal value of a share (expressed in terms of pence); and
 - (ii) the arithmetical average of the middle market quotations of one share (expressed in terms of pence and fractions of a penny) as shown in the Daily Official List published by the London Stock Exchange for the five business days in respect of which such list is published beginning with the business day on which the shares are first shown in such list as quoted on the London Stock Exchange ex the relevant dividend (or, if the Board think fit, beginning with the first such business day following the day on which the Board announce an intention to pay or a recommendation of the relevant dividend on the shares but adjusted (except in respect of any such day on which the shares are quoted on the London Stock Exchange ex the relevant dividend) in arriving at each such daily middle market quotation by deducting the cash amount (including any non-electable amount) of such dividend per share).
- (c) The right of election conferred on holders of shares by the provisions of paragraph (b) of this Sub-Article shall not apply to any amount of dividend per share as the Board in their sole discretion may resolve. Without prejudice to the foregoing, if the Board so determine, a Notice of Election shall provide that in the event of the relevant dividend, or if more than one then any one or more of them, being paid in an amount less than that which the Board have announced an intention to pay or recommend for payment such Notice of Election shall be invalid, and upon the happening of any such event (the Board having determined as aforesaid and the Notice of Election providing as aforesaid) such Notice shall be treated as if the same had never been given and was of no effect.
- (d) Following the receipt of a Notice or Notices of Election pursuant to paragraph (b) of this Sub-Article the Board shall appropriate out of the undistributed profits or reserves of the Company (including share premium account) an amount equal to the aggregate nominal amount of the number of shares determined pursuant to paragraph (b) of this Sub-Article to be allotted and issued credited as fully paid to those holders of shares who shall have given Notices of Election as aforesaid (the "**Electing Shareholders**") and shall capitalise such amount and apply the same in paying up in full at par the number of shares required to be allotted and issued to the Electing Shareholders, such shares to be allotted and issued and distributed credited as fully paid to the Electing Shareholders in the proportions provided for by this Sub-Article. The shares so allotted and issued to the Electing Shareholders shall rank in full for all dividends on the shares of the same class declared

after the date of such allotments and issue (other than in respect of the dividend or dividends in place of which they were allotted) and in all other respects shall form one uniform class with the fully paid shares of the Company of the same class in issue at the time of such allotment and issue and the Board shall have power to authorise any person on behalf of the Electing Shareholders to enter into an agreement with the Company providing for the allotment and issue to them of the shares to which the Electing Shareholders are entitled in place of the dividend in which they have elected not to participate and any agreement made under such authority shall be effective and binding on all members. The powers given to the Board by this Article are additional to the provisions for capitalisation of profits or reserves provided for by Article 39.

- (e) No fraction of any share shall be allotted pursuant to this Sub-Article. The Board may make such provisions as they think fit for any fractional entitlements including provisions whereby (a) in whole or in part, the benefit thereof accrues to the Company and/or (b) fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotments by way of bonus to or cash subscription on his behalf of fully paid shares.
- (f) The Board shall not exercise the power conferred on them by paragraph (a) of this Sub-Article unless the Company has or, at the time when shares would fall to be issued pursuant to any elections which could be made under the terms of this Article, in the opinion of the Board will have, sufficient unissued share capital and undistributed profits or reserves to give effect to any such elections.
- (g) The Board shall not exercise the power conferred on them by paragraph (a) of this Sub-Article in respect of any dividend which they announce their intention to pay or to recommend unless the Company shall by ordinary resolution have approved the use of that power.
- (h) Any Notice of Election completed in part or whole prior to the coming into effect of this Article but otherwise valid and effective shall be treated as valid and effective.
- (i) The Board may, from time to time, determine that rights of election shall be subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory and in such event the provisions aforesaid shall be read and construed subject to such determination. In addition the Board may, in their absolute discretion and at any time, suspend or terminate the right to exercise any option or any election already made notwithstanding that a Notice of Election may have been received by the Company.

38. RESERVES

38. The Board may, from time to time, set aside out of the profits of the Company available for distribution such sums, as the Board shall determine proper, as a reserve which at the discretion of the Board may be applied for any purpose for which the distributable profits of the Company may properly be applied, and pending any such application the Board may employ, from time to time, the sums so set aside in the business of the Company or invest the same as the Board may determine. The Board may also, from time to time, carry forward such amount in the reserve as the Board may determine expedient in the interests of the Company. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same, the Board shall comply with the provisions of the Statutes.

39. CAPITALISATION OF PROFITS AND RESERVES

- 39.1 The Company may, upon the recommendation of the Board, by ordinary resolution in general meeting, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts (other than the statutory reserve, if any) or any sum standing to the credit of the Company's profit and loss account (provided that any such sum shall not be required for paying any preferential dividend). Accordingly, by any such ordinary resolution the Board shall be authorised and directed to appropriate any sum resolved to be capitalised to the holders of shares on the Register of Members at the close of business on the date of the resolution in the proportions in which such sum would have been divisible amongst them had an amount equal to such sum been applied or been applicable in paying dividends and to apply such sum on their behalf for allotment and issue and credit as fully paid up to the holders of shares as bonus shares or to apply such sum on behalf of the holders of shares in or towards paying up any amount payable on any shares held by such holders of shares.
- 39.2 The Board may do all acts and things that the Board shall determine necessary or expedient to give effect to any capitalisation, or paying up with full power to the Board to make such provisions as the Board shall determine for any fractional entitlements which may arise or by payment in cash or otherwise. The Board may authorise any person to enter into on behalf of all the holders of shares interested, an agreement with the Company providing for any such capitalisation or paying up and matters incidental to any such capitalisation or paying up and any agreement made under such authority shall be effective and binding on the Company and all concerned.
- 39.3 Where, pursuant to an employees' share scheme the Company shall have granted options to subscribe for shares on terms which provide, inter alia, for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued shares and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Act, the Board may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or

other sum as is mentioned above in this Article to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly.

40. RECORD DATES

40. Notwithstanding any other provision of these Articles, the Board may from time to time determine that any date (the "**record date**") shall be the date at the close of business on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular, and any record date may be on, or at any time before, the date on which any of the aforesaid shall be paid or made or, in the case of any dividend, distribution, interest, allotment or issue, at any time after the same shall be recommended, resolved, declared or announced.

41. ACCOUNTS

- 41.1 The Board shall ensure that the Company shall keep accounting records which shall be sufficient to show and explain the Company's transactions.
- 41.2 The Company's accounting records shall be kept at the Office or, subject to the Act, at such other place as the Board shall determine.
- 41.3 The accounting records of the Company shall at all times be available and open for inspection by the Company's officers and the Auditors only. Except as may be required or conferred by law, ordered by a court of competent jurisdiction or authorised by the Board, no other person shall have any right to inspect the accounting records of the Company.
- 41.4 The Board shall, from time to time, in accordance with the provisions 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 the Act.
- 41.5 A duplicate copy of the Company's annual accounts, together with a duplicate copy of the Directors' report for the financial year to which such accounts relate and the Auditors' report to those accounts which shall be laid before the relevant annual general meeting of the Company shall, not less than twenty-one days before the date of the relevant annual general meeting, be sent to every member of the Company, every holder of debentures of the Company and to every other person who is entitled to receive notice of meetings of the Company; provided that the requirements of this Article in relation to the documentation to be sent to members shall be deemed to be satisfied by sending to each member where permitted by the Act and in lieu of the said copies, a summary financial statement derived from the Company's annual accounts and the Directors' report in the form and containing the information prescribed by the Act and any regulations made thereunder.

- 41.6 The Company shall not be obliged to send any documents pursuant to this Article to any person of whose address the Company shall not be aware or to more than one joint holder of any share or debenture.
- 41.7 If all or any of the securities shall, for the time being, be listed or dealt in on any stock exchange, the Board shall ensure that there shall be forwarded to the appropriate officer of such listing authority or stock exchange such number of duplicate copies of such documents as shall for the time being be required under the regulations or practice of such listing authority or stock exchange.

42. AUDITORS

- 42.1 Subject to the provisions of the Act, all acts done by the Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there shall have been a defect in the Auditors' appointment or that the Auditors shall not at the time of their appointment be qualified for appointment or shall subsequently have become disqualified.
- 42.2 The Auditors shall be entitled to attend any general meeting and to receive notices of, and other communications relating to, any general meeting which any member shall be entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns them as Auditors.

43. NOTICES

- 43.1 Any notice to be given to or by any person pursuant to or in accordance with these Articles (other than a notice convening a meeting of the Board) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this regulation and the next, "address" in relation to electronic communications, includes any number or address used for the purposes of such communications.
- 43.2 A notice or other document may be served on or sent to any member by the Company either personally or by sending the notice or other document through the post in a prepaid cover addressed to such member at his registered address, being an address within the United Kingdom or by giving it using electronic communications to an address for the time being notified to the Company by the member.
- 43.3 A member who shall have no registered address within the United Kingdom shall not be entitled to receive any notice or other document unless such member has supplied to the Company an address within the United Kingdom as his address for the service of notices or an address to which notices may be sent using electronic communications. In this regulation, "address" in relation to electronic communications, includes any number or address used for the purposes of such communications.
- 43.4 Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving

service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or other document not sent by post but left at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice contained in an electronic communication shall be deemed to have been served at the expiration of 48 hours after the time it was sent. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

- 43.5 If a share shall be jointly held, any notice or other document shall be served on or sent to the joint holder whose name stands first in the Register of Members and shall be treated as service of any such notice or delivery of any such other document to all the joint holders of the share.
- 43.6 Any notice or other document served on or sent to any member shall, notwithstanding that any person or persons shall be entitled to any share held by that member as a consequence of his death or bankruptcy or otherwise by operation of law and whether or not the Company shall have received notice of that person's or those persons' entitlement, be treated as having been duly served or delivered unless and until the person or persons so entitled to the share shall have complied with the next following Sub-Article to the satisfaction of the Board.
- 43.7 A person entitled to a share as a consequence of the death or bankruptcy of a member or otherwise by operation of law shall, upon supplying to the Board such evidence as the Board may reasonably require to prove his title to the share and upon supplying the Board with an address within the United Kingdom for service of notices or delivery of other documents, be entitled to receive at such address any notice or other document to which the member would have been entitled, and service on or delivery of any person so entitled shall for all purposes be treated as service on or delivery of any such notice or other document on all persons interested in the share.
- 43.8 If at any time by reason of the suspension or curtailment of postal services the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers (at least one of which shall be a London newspaper) and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 43.9 Nothing in these Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

44. WINDING UP

- 44.1 The Board shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

- 44.2 If the Company shall be wound up the liquidator may, with the authority of an extraordinary resolution of the Company in general meeting and any other sanctions which shall be required by law, divide among the members all or any of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he considers 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 members being holders of shares in different classes of shares.
- 44.3 The liquidator may, with the authority of an extraordinary resolution of the Company in general meeting and other sanctions which shall be required by law, vest all or any of the assets of the Company in trustees upon such trusts for the benefit of members as the liquidator shall determine, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares or any other property in respect of which there shall be a liability.

45. INDEMNITY

45. Subject to the provisions of and so far as may be consistent with the Act, every Director, the Secretary or other officer or employee of the Company and, if the Board so determines, the Auditors shall be entitled to be indemnified by the Company out of the Company's own funds against all costs, charges and expenses incurred by him in the actual or purported execution and/or discharge of his duties and/or exercise or purported exercise of his powers and/or otherwise in relation thereto including, but without limitation, any costs, charges and expenses incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment shall be given in his favour (or the proceedings shall be otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he shall be acquitted or, in connection with any application under any statute for relief from liability in respect of any such act or omission, in which relief shall be granted by the Court.