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THE COMPANIES ACT 1985 TO 1989

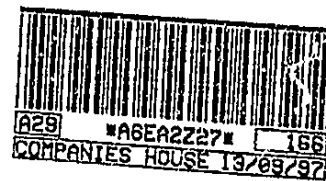
PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

WRc plc

Company Number 2262098



FIELD • FISHER • WATERHOUSE
41 VINE STREET LONDON EC3N 2AA

THE COMPANIES ACT 1985 TO 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

WRc plc

(Adopted by a Special Resolution passed 10 September 1996;
Amended by a Special Resolution passed 9 September 1997)

TABLE A

1. The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 shall not apply to the company.

INTERPRETATION

2. In these articles unless the context otherwise requires:-

"the act" means the Companies Act 1985 as for the time being modified or re-enacted;

"the holder" or "member" in relation to shares means the person whose name is entered in the register of members as the holder of such shares;

"the registered office" means the registered office of the company;

"the seal" means the common seal of the company and includes the official seal (if any) kept by the company under the provisions of section 40 of the act;

"secretary" means any person appointed to perform the duties of the secretary of the company; and

"the United Kingdom" means Great Britain and Northern Ireland.

Expressions referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Where it is appropriate, words indicating the singular number only are to be taken to indicate the plural number also and vice versa and words indicating one gender only are to be taken to indicate both others.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as they bear in the act at the date at which these articles become binding on the company.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The authorised share capital of the company at the date of the adoption of these articles of association is £1,250,000 divided into 1,250,000 "A" ordinary shares of £1 each.
4. If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, whether or not relating to a variation of rights, all the provisions of these articles relating to general meetings of the company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.
5. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
6. The company may exercise the powers conferred by the act of paying commission in connection with the subscription or procurement of subscription for shares in the company. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The company may also on any issue of shares pay such brokerage as may be lawful.
7. Except as required by law, no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or be

compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or, except as otherwise provided by these articles or by law, any other right in respect of any share except an absolute right to the entirety thereof in the holder.

8. Any person who is registered as the joint holder of a share may give effectual receipts for any moneys payable in respect of such share provided that such power shall not apply to the legal personal representatives of a deceased member.
9. Every person whose name is entered as a holder of shares in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer of shares to him, or within such other period as the conditions of issue shall provide, one certificate in respect of such shares or several certificates each for one or more of such shares upon payment of such reasonable out-of-pocket expenses as the directors shall determine. If a member transfers part only of the shares represented by a certificate, he shall be entitled to a certificate for the balance without charge. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. Provided that in respect of a share or shares held jointly the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one joint holder shall be sufficient delivery to all such holders.
10. If a share certificate be defaced, lost or destroyed, it may be renewed without fee but on such terms, if any, as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the company of investigating evidence as the directors think fit and in the case of defacement subject to the delivery of the old certificate to the company.

LIEN

11. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, provided that the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The company's lien, if any, on a share shall extend to all amounts payable in respect thereof.
12. The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice, stating and demanding payment of such sum, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
13. To give effect to any such sale the directors may authorise any person to transfer the shares sold. The purchaser shall be registered as the holder of shares so

transferred, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. The net proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

15. Subject to the terms of allotment the directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, whether on account of the nominal value of the shares or by way of premium, and each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment and notwithstanding that he may have transferred the relevant shares after the making of the call, pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed by the directors.
16. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by instalments.
17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
18. If a sum called in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at the rate fixed by the terms of allotment or, if no rate is fixed, at such rate not exceeding 15 per cent per annum as the directors may determine, but the directors shall be at liberty to waive payment of any interest wholly or in part. Further, with effect from such day and until the time of payment in full of all sums due, including interest, such share shall carry no rights to receive dividends or other distributions or to attend or vote, in person or by proxy, at general meetings and no other right.
19. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these articles be deemed to be payable pursuant to a call duly made and notified and in case of non-payment all the relevant provisions of these articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. Any person who is or becomes entitled to be entered on the register of members shall be entered with details of the shares in respect of which he is or becomes entitled within 7 days of such entitlement arising or if later on the first day on which registration ceases to be suspended in accordance with the provisions of article 30.
21. The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and pay interest upon all or any of the moneys so advanced in respect of the period up to the date when the same would, but for such advance, become payable and at such rate as may be agreed upon between the directors and such member.

TRANSFER OF SHARES

23. The instrument of transfer of any share shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee and may be in any usual form or in any form approved by the directors. Instruments of transfer which are registered shall be retained by the company.
24. The directors may in their absolute discretion and without being obliged to give any reason therefor decline to register the transfer of a share, not being a fully paid share, to a person of whom they shall not approve. They may also decline to register the transfer of a share on which the company has a lien.
25. The directors may also decline to recognise any instrument of transfer unless:-
 - (i) it is duly stamped and accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
 - (ii) it is in favour of not more than four transferees.
26.
 - (i) No share in the company shall be transferred (subject to article 26(vii) and article 28) other than in compliance with the procedures set out in this article 26.
 - (ii) Any member who desires to transfer any shares held by him ("the Vendor") shall give written notice ("the Transfer Notice") to the company of his desire to transfer such shares. The Transfer Notice shall give particulars of the number of shares which the Vendor

proposes to transfer ("the Sale Shares") and shall constitute the company as the agent of the Vendor for the sale of the Sale Shares to any person or persons willing to purchase the same either:

- (a) at the price stated by the Vendor in the Transfer Notice ("the Transfer Price");
- (b) or if
 - (i) the Transfer Notice relates to no more than 3,000 shares; and
 - (ii) there is (in the opinion of the Directors) then in being an organised market for the sale of shares of that class of the company (an "Organised Market")

at the price (the "Market Price") reasonably believed by the Directors to be the prevailing price at which the Sale Shares could be sold on such Organised Market on the first occasion upon which it is reasonably practicable to sell those shares.

- (iii) On receipt of a Transfer Notice the company shall notify the Vendor concerned in writing within seven days either that:
 - (a) the company does not accept the role of agent for the sale of Sale Shares in respect of the Relevant Notice; or
 - (b) that the company does accept such agency.
- (iv) If the company fails to notify a member as required in paragraph (iii)(a) within the time period provided in that paragraph, then during a period of six months from the Transfer Notice the Vendor shall be entitled to transfer such part of the Sale Shares at a price equal to or greater than the price specified in the Transfer Notice to such persons as the Vendor shall see fit.
- (v) If the company shall notify the Vendor in accordance with paragraph (iii)(b) then the company shall act as the exclusive agent of the Vendor for the sale of the Sale Shares either:
 - (a) for a period of 45 days from the date of receipt by the company of the Transfer Notice; or
 - (b) if:
 - (i) the Transfer Notice relates to no more than 3,000 shares; and

- (ii) there is (in the opinion of the Directors) then in being an Organised Market

for a period until the day following the next day reasonably believed by the Directors to be the first occasion upon which it is reasonably practicable to sell those shares on such an Organised Market.

- (vi) If in the period referred to in paragraph (v) above, the company shall find a purchaser for the Sale Shares at the Transfer Price or (if sub-paragraph (ii)(b) above applies) the Market Price, the company shall give the Vendor written notice of such matter and within seven days of such written notice being given completion of the sale of the Sale Shares shall take place when the Vendor shall deliver to the company a duly executed transfer or transfers of the Sale Shares in favour of the notified Purchaser as appropriate together with the relevant Share Certificates or other documents of title to the purchasing member. The company shall be authorised to exchange such documentation against a banker's draft or drafts in respect of the Transfer Price or (if sub-paragraph (ii)(b) above applies) the Market Price, and made out in favour of the Purchaser or such other person as the Purchaser may require. The company shall make appropriate arrangements for the despatch of such banker's draft or drafts to the Vendor by registered post at the Vendor's risk.

- (vii) If at the expiration of the Sale Period the company has not notified the Vendor that purchasers have been found for any of the shares, the company shall forthwith so notify the Vendor and the Vendor shall be entitled during a period of six months after such notification to transfer such part of the Sale Shares for which a purchaser has not been found to any persons at a price not less than the Transfer Price.

- 27. (i) The directors shall not register a transfer of a share if as a result more than 24 per cent of the issued shares would be registered in the name of any person or his spouse either alone or jointly with others except in order to give effect to the following provisions of this article.

- (ii) The following provisions of this article shall have effect:-

- (a) if there is in existence a binding obligation on any person ("the Offeror") to acquire at the same price per share all the issued equity share capital of the company and all the equity share capital of the company which would fall to be issued on the exercise of the conversion rights attaching to any loan capital of the company which is conditional only on the agreement of the holders of all such shares to dispose of the same upon the terms of such

obligation, to any conditions imposed by statute of or by any recognised regulatory body in the United Kingdom or the jurisdiction of the Offeror and to any increase in the share capital of the Offeror which is necessary to enable the Offeror to discharge such obligation being effected; or

(b) if a person entitled to carry on in the United Kingdom the business of arranging and sponsoring such a matter should certify that in its opinion it would be possible to offer for sale or place, in either case on terms which would be generally regarded as being normal, not less than 50 per cent of either the existing equity share capital after exercise of any conversion rights referred to in paragraph (ii) (a) of this article for the time being of the company or such equity share capital in conjunction with new equity share capital, on the basis that the issued shares in the company were either admitted to the Official List of the London Stock Exchange Limited or were the subject of a grant of permission to deal in the Alternative Investment Market regulated by that company and if such person shall also certify the net price per share which in its opinion would be likely to be received in respect of each resulting share in the capital of the company or the shares representing the same which was offered for sale or placed and that in its opinion the issued shares in the company would, subject to the relevant regulations being complied with, be admitted to the Official List or be the subject of a grant of permission to deal as described above.

(iii) If the directors are satisfied that by virtue of the provisions of the preceding paragraph all the provisions of this article are to have effect the directors shall convene an extraordinary general meeting of members for the purpose of considering a proposal that the issued share capital of the company be sold under the terms of the obligation referred to in paragraph (ii) (a) of this article or that an offer for sale or placing of shares in the company be arranged on the terms as to price specified in paragraph (ii) (b) of this article. Such proposal shall be deemed approved only if approved by a special resolution at such extraordinary general meeting and if such proposal is approved, Article 27 (i) shall not apply to any transfer made to implement such proposal.

28. Notwithstanding any other provisions of these articles:

(i) a transfer of any shares in the Company held by any member of any Group (as defined in article 28(iii)) may be made between the member of the Group holding such shares and any other member in

the Group without restriction as to price or otherwise and any such transfer shall be registered by the directors provided that if the transferee shall within a period of one year of the transfer no longer be a member with the transferor of the same Group, the transaction whereby the two companies ceased to be members of the same Group, shall be deemed to constitute a Transfer Notice given under article 26(ii) and the provisions of article 26 shall apply accordingly;

- (ii) a transfer of any shares in the Company held by any member being a body corporate may be made by such member without restriction as to price or otherwise where there is a change of Control (as defined in article 28(iii)) in that member and any such transfer shall be registered by the directors provided that if the transferee shall within a period of one year of the transfer, transfer such shares, such transfer shall be deemed to constitute a Transfer Notice given under article 26(ii) and the provisions of article 26 shall apply accordingly;
 - (iii) for the purposes of this article the expression "Group" shall mean any group of bodies corporate comprising any holding company (as defined in section 736 of the act) or any subsidiary of such holding company and the expression "Control" shall have the same meaning as in section 840 of the Income and Corporation Taxes Act 1988;
 - (iv) any member who is an individual may transfer shares in the Company to his or her spouse, children or to trustees for himself or his or her spouse or children or any of them or (on death) to his or her personal representatives without restriction as to price or otherwise and any member holding shares as a personal representative may transfer shares without restriction as to price or otherwise to any beneficiary under any will or on the intestacy of any member.
29. If the directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
30. The registration of transfers may be suspended at such times and for such periods not exceeding in total thirty days in any one year as the directors may determine provided that registration shall not be suspended for a continuous period of more than ten days.
31. No fee shall be charged by the company for registering any transfer, probate, letters of administration or any other document relating to the title to any share.

TRANSMISSION OF SHARES

32. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder and the legal personal representatives of the deceased

where he was a sole holder shall be the only persons recognised by the company as having any title to his interest in such shares. Provided that no provision of these articles shall release the estate of a member from any liability in respect of any share which had been jointly held by him.

33. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon the production of such evidence as may properly be required by the directors, elect either to be registered himself as holder if he is a person entitled to hold shares or to have some person entitled to hold shares nominated by him registered as a transferee.
34. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the company a notice signed by him stating that he so elects. If he shall elect to have another person registered he shall execute a transfer of the share in favour of that person. All the provisions of these articles relating to the right to transfer, and the registration of transfers of, shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
35. Following the death or bankruptcy of the sole holder of shares, those shares shall not until they are registered in the name of another person entitled to hold shares carry the entitlement to exercise any right conferred by membership in relation to meetings of the company or separate general meetings of holders of any class of shares.

FORFEITURE OF SHARES

36. If a member fails to pay any call or instalment of a call on the day appointed for payment, the directors may serve a notice on him requiring payment of so much of the call or instalment as is unpaid or any interest which may have accrued or both as may be appropriate.
37. The notice shall specify a date, which is not earlier than fourteen days from the date on which the notice is given or deemed to be given, by which the payment required by the notice is to be made and shall state that in the event of non-payment by the time appointed the shares in respect of which the call was made will be liable to be forfeited.
38. If payment in full is not made by the date specified in the notice, any share in respect of which the notice has been given may, at any time after that date but before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.
39. A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

40. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall remain liable to pay to the company all moneys payable by him in respect of the shares, but his liability shall cease if and when the company shall have received payment in full of all such moneys.
41. A statutory declaration that the declarant is a director or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive any consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. Such person shall thereupon be registered as the holder and shall not be bound to see to the application of any purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale or disposal of the share.

ALTERATION OF CAPITAL

42. The company may by ordinary resolution:-
- (i) increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
 - (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (iii) subject to the provisions of the act, sub-divide its existing shares, or any of them, into shares of smaller amount and such resolution may determine that one or more shares resulting from the sub-division of any share shall carry preferred, deferred or other special rights or restrictions as compared with the rights or restrictions carried by any other share or shares so resulting; and
 - (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
43. Subject to the provisions of the act, the company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and may redeem or purchase any of its own shares.

GENERAL MEETINGS

44. All general meetings other than annual general meetings shall be called extraordinary general meetings.

45. The directors may at any time and shall when so required by the act convene a general meeting. If there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene a general meeting.

NOTICE OF GENERAL MEETINGS

46. An annual general meeting and a general meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice and any other general meeting shall be called by not less than fourteen days' notice. The notice convening a meeting as an annual general meeting shall specify it as such. The notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held and shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted.
47. A general meeting may be called by shorter notice than that specified in the previous article if it is so agreed:-
- (i) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote thereat: and
 - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
48. Notice of each general meeting shall, subject to the provision of these articles, be given to all members, other than those who by virtue of the terms of issue of all the shares they hold are not entitled to receive the same, to the directors and to the auditors of the company.
49. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

50. No business shall be transacted at any general meeting unless a quorum of members is present throughout the meeting; provided that if at any time during the business of the meeting the meeting shall become inquorate then the chairman shall suspend the business of the meeting for up to fifteen minutes after which the meeting shall, if quorate, resume or otherwise stand adjourned in accordance with article 51. Save as herein otherwise provided, three members present in person or by proxy and entitled to vote shall be a quorum for an annual

general meeting and persons holding not less than 75 per cent of the issued shares shall be a quorum for an extraordinary general meeting.

51. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the third subsequent week, or to a day no later than twenty eight days after the date of the adjournment. The adjourned meeting shall be held at the same time and place or at such place and time as the directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the member or members present and entitled to vote shall be a quorum.
52. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company unless there is no such chairman or such chairman shall not be present within five minutes after the time appointed for holding the meeting or shall be unwilling to act, in which case the directors present shall elect one of their number to be chairman of the meeting.
53. If at any meeting no director is willing to act as chairman or if no director is present within five minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
54. The chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for forty two days or more notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
55. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by:-
 - (i) the chairman; or
 - (ii) at least two members present in person or by proxy and entitled to vote; or
 - (iii) 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
 - (iv) a member or members present in person or by proxy and holding shares in the company conferring a right to vote at the meeting being

shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

The demand for a poll may with the consent of the chairman be withdrawn in which event any decision previously taken on the resolution in question on a show of hands shall have effect.

56. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner as the chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Unless the chairman otherwise directs, notice of a poll need not be given.
57. In the case of an equality of votes, whether on a show of hands or on a poll, no person shall be entitled to a second or casting vote.
58. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than that to which the poll relates.

VOTES OF MEMBERS

59. Subject to any rights or restrictions attached to any shares, on a show of hands every member present in person shall have one vote and on a poll every member shall have one vote for each share of which he is the holder.
60. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.
61. A member in respect of whom an order has been made by any competent court by reason of mental disorder may vote, whether on a show of hands or on a poll, by his receiver or other person duly authorised and appointed by the court, subject to the production of such evidence of such appointment as the directors may require, and such person may, on a poll, vote by proxy.
62. If any objection shall be raised to the qualification of any voter or because votes which have been counted ought not to have been counted or might have been rejected or because any votes are not counted which ought to have been or could

have been counted, the objection or error shall not vitiate the decision taken unless the same is raised or pointed out at the meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error so raised or pointed out shall be referred to the chairman of the meeting and shall only vitiate any decision taken if the chairman decides that the same may have affected such decision. The decision of the chairman on such matters shall be final and conclusive.

63. On a poll votes may be given either personally or by proxy. A member need not cast all the votes that he uses the same way.
64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member.
65. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office or at such other place within the United Kingdom as is specified not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll provided that it may be handed in at the meeting at which the poll is taken if the poll is taken within 48 hours of being demanded, and in default the instrument of proxy shall not be treated as valid.
66. An instrument appointing a proxy shall be in writing and in any common form or such other form as the directors may approve. Unless the contrary is stated, the instrument shall be valid for any adjourned meeting of the meeting to which it relates.
67. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting.
68. A member may appoint more than one proxy to attend at any meeting. The appointment of a proxy or proxies shall not prevent a member from attending and voting at any meeting.
69. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed or of the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

70. A resolution in writing signed by, or by the attorney for, each member who would have been entitled to vote upon it if it had been proposed at a general meeting or at a separate general meeting of the holders of any class of shares in the company at which he was present shall be as valid and effective as if the same had been passed at a general meeting or separate meeting duly convened and held. Any such resolution shall be deemed to have been signed by a member which is a corporation if it is signed by a director or a duly authorised representative thereof and may consist of several documents in the like form each signed by, or by the attorney for, one or more members.
71. Where any holder of any shares in the company or any named person in respect of any shares in the company fails to comply within 28 days with any notice (in these articles called a "statutory notice") given by the company under the act requiring him to give particulars of any interest in any such shares, the company may give the holder of such shares a notice (in these articles called a "disenfranchisement notice") stating or to the effect that such shares shall from the service of such disenfranchisement notice confer on such holder no right to attend or vote at any general meeting of the company or at any separate general meeting of the holders of the shares of that class until the statutory notice has been complied with and such shares shall confer no right to attend or vote accordingly. For the purposes of this article a "named person" means a person named as having an interest in the shares concerned in any response to any statutory notice served on the holder or on a person previously so named. A disenfranchisement notice may be cancelled by the directors at any time and shall automatically cease to have effect in respect of any share transferred upon registration of the relevant transfer.

NUMBER OF DIRECTORS

72. Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

APPOINTMENT, ROTATION AND REMOVAL OF DIRECTORS

73. At the annual general meeting of the company in every year one-third of the directors who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, then the number nearest to but (except when less than 3 directors are subject to retirement by rotation) not exceeding one-third shall retire from office, but if there is only one director who is subject to retirement by rotation, he shall retire.
74. The directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

75. A director who retires at an annual general meeting of the company may, if willing to act, be re-appointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
76. The company at the meeting at which a director retires may fill the vacated office by appointing a person to that office, and in default the retiring director shall if willing to act be deemed to have been re-appointed except in any of the following cases:
- (i) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-appointment of such director is put to the meeting and lost; or
 - (ii) such appointment would breach Article 84.
77. No person other than a director retiring at the meeting shall, unless recommended by the board of directors of the company, be appointed or re-appointed a director at any general meeting unless not less than 6 nor more than 35 clear days before the date appointed for the meeting there shall have been left at the registered office of the company notice in writing signed by a member duly qualified to vote at the meeting for which such notice is given (other than the person to be proposed) of his intention to propose such person for appointment or reappointment and also notice in writing signed by that person of his willingness to be appointed or reappointed. The notice shall give the particulars in respect of that person which would if he were so appointed or reappointed be required to be included in the company's register of directors.
78. The board of directors of the company may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these articles as the maximum number of directors.
79. Any director appointed to fill a casual vacancy or as an additional director under article 78 shall hold office only until the conclusion of the next following annual general meeting and shall then be eligible for re-appointment, but shall not be taken into account in determining the directors who are to retire by rotation at such meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion of such annual general meeting.
80. Not less than 6 nor more than 28 clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive a notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the board of directors of the company for appointment or re-appointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or re-appointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the company's register of directors.

81. The company may by ordinary resolution of which special notice has been given in accordance with section 379 of the act remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the company and such director. Such removal shall be without prejudice to any claim which such director may have for damages for breach of any contract of service between him and the company.
82. Subject to compliance with article 80 the company may by ordinary resolution appoint a person who is willing to act to be a director in place of a director removed from office under article 81, and without prejudice to the powers of the directors under article 78 the company in general meeting may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director. A person appointed in place of a director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director or if there was no such director at the conclusion of the next following annual general meeting and shall then be eligible for re-appointment.

DISQUALIFICATION OF DIRECTORS

83. The office of director shall be vacated if the director:-
- (i) ceases to be a director by virtue of any provision of the act or is removed as a director by the company by ordinary resolution or is prohibited by law from being a director; or
 - (ii) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (iii) becomes of unsound mind or a patient for any purpose of any statute relating to mental health; or
 - (iv) resigns his office by notice in writing to the company; or
 - (v) is to be removed as a director under any provision of these articles.
84. (i) No person is capable of being appointed a director of the company for the first time if at the time of his appointment he has attained the age of 70.
- (ii) Notwithstanding Article 84 (i) above, no person (who has first been appointed a director below the age of 70) shall become ineligible to remain or shall cease to be a director or shall become incapable of being re-appointed as a director by reason of his having thereafter attained the age of 70 or any other age, nor shall any special notice be required in connection with the re-appointment or the approval of the re-appointment of such a person."

DIRECTORS' REMUNERATION, GRATUITIES AND PENSIONS

85. The remuneration of directors shall be as follows:

- (i) An executive director shall receive such remuneration (whether by way of salary, commission, participation in profits, pension or otherwise) as the board of directors may determine. The board of directors shall be entitled to delegate such authority to the board's remuneration committee.
- (ii) A non-executive director shall receive such remuneration as may be determined by the board of directors. Such authority shall not be delegated by the board of directors to any other person(s) or committee. In addition any non-executive director who performs services which are in the opinion of the board of directors in excess of his normal duties may be paid such further remuneration as the board of directors may determine.

Such remuneration shall accrue from day to day. The directors shall also be paid all travelling, hotel and other expenses properly incurred by them in connection with the affairs or business of the company.

86. The company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any director who has held any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such body corporate and for any member of his family or any person who is or was dependent on him and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit or for the insurance of any such person.

DIRECTORS' INTERESTS

- 87.
- (i) Subject to the provisions of the act, no director or intending director shall be disqualified by his office from contracting in any capacity with the company, nor shall any such contract or any contract or arrangement entered into on behalf of the company in which any director is in any way directly or indirectly interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office, or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him in accordance with the provisions of the act.
 - (ii) Save as provided in the following paragraphs of this article, a director shall not vote in respect of any contract or arrangement or

any other proposal in which he has any material interest otherwise than by virtue of his shares in or debentures or other securities of or otherwise in or through the company. A director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting. For the purposes of this article, an interest of any person who is for any purpose of the act connected with a director shall be treated as an interest of that director.

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

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the company or any of its subsidiaries;
- (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares in or debentures or any other securities of or by the company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested directly or indirectly in any capacity provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this article to be a material interest in all the circumstances); and
- (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes.

- (iv) Where proposals are under consideration concerning the appointment, including fixing or varying the terms of appointment, of two or more directors to offices or employments with the company or any company in which the company is interested, such proposals may be divided and considered in relation to each director separately. In such case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- (v) If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned has not been fairly disclosed.
- (vi) Subject to the provisions of the act, the company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any transaction not duly authorised by reason of a contravention of this article.
- (vii) Subject to the provisions of the act, any director may act by himself or his firm in a professional capacity for the company and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (viii) Any director may continue to be or become a director of, or hold any other office or place of profit under, or any interest in, any other company in which the company may be interested and shall not be accountable for any benefits received by him as a result thereof. The directors may exercise the voting power conferred by the shares in any company held or owned by the company in such manner in all respects as they may think fit (including the exercise thereof in favour of any resolution appointing the directors or any of them directors of such company or voting or providing for the payment of remuneration to the directors of such company).

DIRECTORS' POWERS AND DUTIES

88. The business of the company shall be managed by the directors who may exercise all such powers of the company as are not, by the act or by these articles, required to be exercised by the company in general meeting, subject, nevertheless, to the provisions of the act, of these articles and of any special resolution which may be passed. However, no provision of any special resolution, whether or not it amends these articles, shall invalidate any prior act of the directors which would have been valid if that resolution had not been

passed. The general powers given by this article shall not be limited or restricted by any special power or authority given to the directors by any other article.

89. (i) The directors shall procure that the company shall not, and shall exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that no subsidiary shall, without the sanction of the company in general meeting:-
- (a) create any mortgage or charge as security for borrowings other than borrowings from any bank, insurance company, building society or other financial institution which are repayable in full at the end of a period not exceeding ten years from the date of first draw-down; or
 - (b) dispose of the whole or any part of its undertaking if as a result the ability of the company and its subsidiaries taken as a whole to carry on their businesses taken as a whole, would having regard to the interests of the customers of such businesses, be fundamentally and adversely affected; or
 - (c) make any change in the nature of its business if as a result the nature of the business of the company and its subsidiaries taken as a whole would be changed significantly.
- (ii) The directors shall procure that the company shall not without the sanction of the company in general meeting declare or pay a dividend on, or make any distribution out of capital profits or reserves to the holder of, any share forming part of its issued share capital.
90. The directors may delegate any of their powers to committees consisting of such person or persons as they think fit provided that the majority of such persons are directors. Powers so delegated may be exercised only at a meeting of a committee at which a majority of those present are directors and only in conformity with such regulations as may be imposed on such committee by the directors.
91. The directors may by power of attorney or otherwise appoint any person to be the attorney or agent of the company for such purposes and with such powers, authorities and discretions not exceeding those of the directors under these articles and for such period and subject to such conditions as they may think fit. Any such appointment may be on such basis for the protection and convenience of those dealing with any such person as the directors may think fit and may also enable any such person to delegate all or any of the powers, authorities and discretions vested in him.

92. The company may exercise the powers conferred by the act with regard to having official seals for use abroad and such powers shall be vested in the directors.
93. A director shall, whether or not he holds shares in the company, be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company.
94. The directors shall cause minutes to be made in books provided for the purpose:-
- (i) of all appointments of officers made by the directors;
 - (ii) of the names of the persons present at each meeting of the directors and of any committee appointed by the directors; and
 - (iii) of all resolutions and proceedings at all meetings of the company, of the holders of any class of shares in the company, of the directors and of committees appointed by the directors.

DIRECTORS' BORROWING POWERS

95. (i) The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and subject to the provisions of the act to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.
- (ii) The directors shall restrict the borrowings of the company and exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount at any one time of the borrowings of the group being the company and all its subsidiaries (exclusive of borrowings between such companies and of exempt borrowings as defined below) shall not, without the previous sanction of the company in general meeting, until a consolidation of the audited balance sheets of the company and each of its subsidiaries as at 30th April 1991 has been prepared exceed the sum of £4.5 million and shall not subsequently, without such sanction, exceed a sum equal to three times the aggregate of the amount paid up on the issued share capital of the company and the amounts standing to the credit of the consolidated capital and revenue reserves of the company and its subsidiaries whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve, revaluation reserve and profit and loss account all as shown in a consolidation of the then latest audited balance sheets of the company and each of its subsidiaries but after:-

- (a) making such adjustments as may be appropriate in respect of any variations in such issued share capital and the amounts standing to the credit of such reserves since the date of the relevant audited balance sheet;
- (b) excluding therefrom any sums set aside for taxation other than in respect of tax equalisation and deferred taxation; and
- (c) deducting therefrom (a) an amount equal to any distribution by the company out of profits earned prior to the date of its latest audited balance sheet and which has been declared, recommended or made since that date except so far as provided for in such balance sheet; and (b) any debit balance on profit and loss account.

For the purposes of this article "borrowings" shall be deemed to include the following except in so far as otherwise taken into account:-

- (a) the nominal amount of any issued share capital and the principal amount of any debentures or debt in respect of borrowed moneys of any body whether corporate or unincorporate which is not for the time being beneficially owned by any of the company and its subsidiaries and the payment, repayment or satisfaction of which is the subject of a guarantee or indemnity by any of the company and its subsidiaries;
- (b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the company and its subsidiaries;
- (c) subject to the provisions of this article the principal amount of any debenture (whether secured or unsecured) of any of the company and its subsidiaries owned otherwise than by any of the company and its subsidiaries;
- (d) the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the company and its subsidiaries; and
- (e) any fixed or minimum premium payable on final repayment of any borrowings or deemed borrowings.

For the purposes of this article "exempt borrowings" shall mean:-

- (a) borrowings for the purposes of repaying the whole or any part of borrowings by any of the company and its subsidiaries for the time being outstanding and so to be applied within two months of being so borrowed, pending their application within such period;
 - (b) borrowings for the purpose of financing any contract in respect of which any part of the consideration receivable by any of the company and its subsidiaries is guaranteed or insured by any governmental department to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;
 - (c) the principal amount of £1 million to become due by way of deferred consideration for the acquisition of the undertaking and, subject to certain exceptions, the assets of Water Research Centre and to be secured by a debenture in favour of that company.
- (iii) A report by the auditors of the company as to the sum which the aggregate amount of borrowings may not at any one time exceed by virtue of the provisions of paragraph (ii) of this article without such sanction as aforesaid or as to the amount at any time of the borrowings which are to be restricted by virtue of these provisions shall be conclusive in favour of the company and all persons dealing with the company.
- (iv) When the aggregate amount of borrowings required to be taken into account for the purposes of this article on any particular day is being ascertained, any of such borrowings denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent:-
- (a) if its repayment is expressly covered by a forward purchase contract, at the rate of exchange specified in such contract; and
 - (b) in any other case at the middle market rate of exchange prevailing in London as at the close of business on that day in London provided that all but not some only of the borrowings falling to be converted as provided by this sub-paragraph (b) shall be converted at such rate of exchange so prevailing in London on the last business day in London falling more than six months before such day if as a result such aggregate amount would be less.

- (v) No debt incurred or security given in respect of borrowings in excess of the limit imposed by this article shall be invalid or ineffectual except in the case of express notice at or before the time when the debt was incurred or security given that the limit hereby imposed had been or would as a result be exceeded.

PROCEEDINGS OF DIRECTORS

96. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes, no person shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the United Kingdom.
97. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two.
98. The continuing directors may act notwithstanding any vacancy in their body unless their number is reduced to one in which event the remaining director may act only in taking such steps as he may consider appropriate for the purpose of procuring the appointment of additional directors.
99. The directors may elect one of their number to be the chairman of their meetings and may at any time remove him from that office. If no person holds the office of chairman, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
100. The proceedings of any committee to which any of the powers of the directors has been delegated shall be governed by the provisions contained in these articles relating to proceedings of directors in so far as they are not inapplicable.
101. Any director may participate in a meeting of the directors by means of conference telephone or similar communications equipment which enables all persons participating in the meeting to hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
102. A resolution in writing signed by each director for the time being or by each member for the time being of a committee appointed by the directors who is entitled to receive notice of respectively a meeting of the directors or of such committee and who is entitled to vote in respect of the resolution shall be as valid and effective for all purposes as if the same had been passed at a meeting of

respectively the directors or of such committee. Any such resolution may consist of several documents in the like form.

103. All acts done by any meeting of the directors or of a committee appointed by the directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any director or member of such committee or person acting as aforesaid or that any of them was disqualified or not entitled to vote, be as valid as if every such person held the appropriate office and was qualified to vote.

EXECUTIVE DIRECTORS

104. The directors may from time to time appoint one or more of their number to be a managing director or to hold any other employment or executive office with the company for such period, subject to the provisions of the act, and upon such terms as they may determine and may revoke or terminate any of such appointments. Any such revocation or termination shall be without prejudice to any claim for damages by or against such director for any breach of any contract of service. Subject to any agreement to the contrary, the appointment by the directors of any director to any executive office shall be determined if he ceases to be a director.
105. The directors may entrust to and confer upon any director appointed to an executive office any of the powers exercisable by them upon such terms and conditions as they may think fit.

ALTERNATE DIRECTORS

106. (i) Each director may appoint any person to be, and subsequently remove such person as, his alternate director. If such person is not himself a director, such appointment, unless previously approved by a resolution of the directors, shall have effect only upon and subject to it being so approved. Any appointment or removal of a person as an alternate director shall be effected by notice in writing signed by the appointor and delivered to the registered office or tendered at a meeting of the directors. An alternate director shall, if his appointor so requests, be entitled to receive notices of meetings of the directors or of committees appointed by the directors to the same extent as, and as well as, the director appointing him and shall be entitled to such extent to attend and vote as a director in the place of the director appointing him at any such meeting at which his appointor is not personally present and generally at such meeting to carry out, exercise and discharge all the functions, powers and duties of his appointor as a director.
- (ii) Every person acting as an alternate director shall be subject in all respects to the provisions of these articles relating to directors and shall alone be responsible to the company for his acts and defaults

and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the company to the same extent as he would be if he were a director but shall not be entitled to receive from the company any remuneration in his capacity as an alternate director. An alternate director may not in his capacity as such himself appoint an alternate.

- (iii) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate in addition to his own vote if he is also a director. The signature of an alternate director to any resolution in writing of the directors or a committee appointed by the directors shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor. A person who has been appointed an alternate director by one or more directors may, subject to the provisions of these articles, be counted as one member of a quorum if he is not also a director, but not otherwise. An alternate director shall not be entitled at a meeting of directors to vote in respect of any contract or arrangement or any other proposal in respect of which his appointor would not be entitled to vote or in respect of which he would not be entitled to vote if he were himself a director. An alternate director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting. However an alternate director who is himself a director or who acts as alternate for more than one director shall not be prevented because the director or one of the directors for whom he acts as alternate would not be entitled so to vote from voting on his own behalf or on behalf of another director for whom he so acts or from being counted in the relevant quorum.
- (iv) A person shall cease to be an alternate director if his appointor ceases to be a director provided that if any director retires by rotation or otherwise but is, or is deemed to be, re-elected at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

SECRETARY

107. Subject to the provision of the acts the secretary shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit and may be removed by them.

THE SEAL

108. The directors shall provide for the safe custody of the seal, which shall only be used on the authority of the directors or of a duly authorised committee appointed

by the directors. Every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose provided that any certificate for shares or debentures or loan stock or representing any other form of security of the company to which an official seal of the company is required to be affixed need not be signed by any person.

DIVIDENDS AND OTHER PAYMENTS

109. Subject to the provisions of the act the company may by ordinary resolution declare dividends to be paid to the members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the directors.
110. Except in so far as the rights attaching to any share otherwise provide:-
- (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of a call shall be treated for the purposes of this article as paid up on the share; and
 - (ii) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
111. The directors may deduct from any dividend or other moneys payable to a member in respect of any shares all sums of money presently payable by him to the company on account of calls or otherwise in respect of shares in the company.
112. No dividends or other moneys payable by the company in respect of any share shall bear interest against the company.
113. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder or, in the case of joint holders, addressed to the holder whose name stands first in the register of members in respect of such shares, at his registered address as appearing in such register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to order of the holder whose name stands first in the register of members in respect of such shares and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the company. Any one of two or more joint holders may give effectual receipts for any dividend or other moneys payable or property distributable in respect of the shares held by such joint holders.

114. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the company. The payment by the directors of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect thereof.
115. An extraordinary general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the directors, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the directors shall give effect to such direction. Where any difficulty arises in regard to such distribution the directors may settle it as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether and may fix the value for distribution purposes of any such specific assets and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the directors.

RESERVES

116. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as reserves which may, at the discretion of the directors, be applied for any purpose for which the profits of the company may properly be applied and pending such application may, also at such discretion, either be employed in the business of the company or be invested in such manner as the directors may from time to time think fit. The directors may also without placing the same to reserves carry forward any profits which they may think it prudent not to distribute.

CAPITALISATION OF RESERVES

117. (i) The company may by ordinary resolution and on the recommendation of the directors resolve to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account (whether or not they are available for distribution) and not required for payment of dividend on any shares with a preferential right to dividend and accordingly that such sum be set free for distribution amongst the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied, subject as provided below, either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares in or debentures of the company to be allotted credited as fully paid up to such members and in such proportions or partly in one way and

partly in the other. Provided that any part of the amount not available for distribution and for the time being standing to the credit of any reserve account or of the profit and loss account may, for the purposes of this article, be applied only in the paying up of unissued shares to be allotted credited as fully paid.

- (ii) The company may by ordinary resolution further resolve that any shares allotted pursuant to paragraph (i) of this article to holders of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends.
- (iii) Whenever a capitalisation shall have been resolved upon pursuant to this article the directors shall do all acts and things required to give effect thereto and shall have power to issue fractional certificates and to make payments in cash and to make such other arrangements as they think fit if shares or debentures become distributable in fractions and also power to authorise any person to enter on behalf of all the relevant members into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they may be entitled or for the payment up by the company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be binding on all such members.

ACCOUNTS

- 118. The accounting records shall be kept at the registered office or, subject to the provisions of the act, at such other place or places as the directors may think fit and shall always be open to inspection by the officers of the company. No member shall have, as such, any right of inspecting any accounting record or book or document of the company except as conferred by law.
- 119. There shall be given to each member not later than twenty one days before the general meeting at which they are to be laid before the company a printed copy of the accounts of the company containing the documents specified in section 239 of the act. The provisions of these articles relating to the giving of notice to members shall apply to the giving to members of copies of the accounts in accordance with this article.

RECORD DATES

- 120. Notwithstanding any other provision of these articles the company or the directors may fix such date as at its or their absolute discretion may be thought fit as the record date for any dividend, distribution, allotment or issue.

NOTICES

121. Any notice to be given pursuant to these articles shall be in writing. The company may give any such notice to a member either personally or by sending it by first class post in a prepaid envelope addressed to the member at his registered address, if any, or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A notice may be given to the company by delivering it at, or sending it by first class post in a prepaid envelope addressed to the company at, the registered office.
122. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices to which he is entitled may be given to him shall be entitled to have such notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.
123. A member present, either in person or by proxy, at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and of the purposes for which it was called.
124. Every person who becomes entitled to a share shall be bound by any notice, other than a statutory notice or a disenfranchisement notice, in respect of that share which, before his name is entered in the register of members, has been given to any person from whom he derives his title.
125. A notice sent by post shall be deemed to have been given on the day following that upon which the envelope containing it is posted and proof that the envelope containing the notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
126. A notice delivered or sent by post to the registered address of a member pursuant to these articles shall, notwithstanding that the member be then dead, bankrupt or mentally disordered and whether or not the company has notice of the death, bankruptcy or mental disorder, be deemed to have been given in respect of any share registered in the name of the member as sole or joint holder. A notice so given shall be deemed a sufficient notice to all persons interested (whether jointly with or as claiming through or under the member) in the share.

DESTRUCTION OF DOCUMENTS

127. The company may destroy:-
- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date on which such mandate, variation, cancellation or notification was recorded by the company; and
- (iii) any instrument of transfer of shares or other securities which has been registered at any time after the expiry of six years from the date of registration.

WINDING UP

128. If the company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the act, divide amongst the members in specie or kind the whole or any part of the assets of the company and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

129. Every director, managing director, agent, auditor, secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under any provision of the act in which relief is granted to him by the court.

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