

**The Companies Act 1985
Public Company Limited by Shares**

**ARTICLES
OF ASSOCIATION**

PROFESSIONAL STAFF plc

Company Number: 2459997

**DARBYS
52 NEW INN HALL STREET
OXFORD OX1 2QA**

Tel: 01865 247294

Fax: 01865 793411



CONTENTS

<u>Heading</u>	<u>Article No.</u>
<u>PRELIMINARY</u>	1,2
<u>INTERPRETATION</u>	3.
Form of Resolutions	3.3
<u>SHARE CAPITAL</u>	
Authorised share capital	4.
Class Rights	5.
Redeemable Shares	6.
Allotment of Relevant Securities	7.
Disapplication of Pre-emption Provisions	8.
Unissued Shares	9.
Payment of Commissions	10.
Trusts not Recognised	11.
Variation of Rights	12.
Pari Passu Issues	13.
<u>SHARE CERTIFICATES</u>	
Right to Certificates	14.
Joint Shareholders	15.
Clearing Houses and Investment Exchanges	16.
Sealing of Certificates	17.
Replacement of Certificates	18.
<u>LIEN</u>	
Company's Lien	19.
Enforcing Lien by Sale After Notice	20.
Manner of Sale	21.
Application of Sale Proceeds	22.
<u>CALLS ON SHARES</u>	
Calls	23.
Time of Call	24.
Liability of Joint Holders	25.
Interest	26.
Sums Due Treated as Calls	27.
Power to Differentiate	28.
Advance Payment of Calls	29.
<u>FORFEITURE OF SHARES</u>	

Notice if Call Not Paid	30.
Forfeiture if Notice Not Complied With	31.
Notice of Forfeiture	32.
Sale of Forfeited Share	33.
Arrears to be Paid Notwithstanding Forfeiture	34.
Statutory Declaration and Validity of Sale	35.
 <u>UNTRACED SHAREHOLDERS</u>	
Power to Sell Shares of Untraced Shareholders	36.
Manner of Sale and Creation of Debt	37.
 <u>TRANSFER OF SHARES</u>	
Form and Execution of Transfer	38.
Right to Refuse Registration of Transfer	39.
Notice of Refusal	40.
Suspension of Registration	41.
No Fee for Registration	42.
Retention of Documents	43.
Destruction of Documents	44.
Destruction Presumed Valid	45.
 <u>TRANSMISSION OF SHARES</u>	
Transmission on Death	46.
Election of Person Entitled by Transmission	47.
Rights in Respect of Share	48.
 <u>ALTERATION OF SHARE CAPITAL</u>	
Increase, Consolidation, Sub-Division and Cancellation	49.
Fractions	50.
Reduction of Capital	51.
 <u>PURCHASE OF OWN SHARES</u>	 52.
 <u>GENERAL MEETINGS</u>	
Extraordinary General Meetings	53.
Calling General Meetings	54.
 <u>NOTICE OF GENERAL MEETINGS</u>	
Length of Notice	55.
Persons Entitled to Receive Notice	56.
Omission	57.
 <u>PROCEEDINGS AT GENERAL MEETINGS</u>	
Quorum	58.
Procedure if Quorum Not Present	59.

Chairman of Meeting	60.
Members' Election of Chairman	61.
Meeting at More Than One Place	62.
Place(s) to be Specified	63.
Participation	64.
Adjournments	65.

POLLS

Calling a Poll	66.
Conclusive Evidence of Passing of Resolution	67.
Right to Withdraw Demand for Poll	68.
Procedure if Poll Demanded	69.
Time of Poll	70.
Notice of Poll	71.

VOTES OF MEMBERS

Votes of Members	72.
Votes of Joint Holders	73.
Votes of Members Suffering Incapacity	74.
No Right to Vote Where Sums Overdue on Shares	75.
Votes on a Poll	76.
Casting Vote	77.
Suspension of Voting Rights	78.
Objections or Errors in Voting	79.
Amendment of Resolution	80.

PROXIES

Execution of an Instrument of Proxy	81.
Times for Deposit of an Instrument of Proxy	82.
Form of Proxy	83.
Validity of Proxy	84.

NUMBER OF DIRECTORS

Alternate Directors	85.
	86-90.

POWER OF DIRECTORS

General Powers of the Company Vested in the Directors	91.
Appointment of Agents	92.

DELEGATION OF DIRECTORS' POWERS

Local Boards	93.
Delegation to Individual Directors	94.
Delegation to Committees	95.

SPECIFIC POWERS OF DIRECTORS

Provision for Employees and Employee Share Schemes	96.
Power to Effect Insurance for Directors and Officers	97.
Borrowing Powers	98.

APPOINTMENT OF DIRECTORS

Number to Retire by Rotation	99.
Identity of Directors to Retire	100.
Eligibility for Appointment as a Director	101.
Power of Company to Appoint Directors	102.
Power of the Board to Appoint Directors	103.
Position of Retiring Directors	104.
Company's Power to Remove a Director and Appoint Another in his Place	105.
No Share Qualification and Right to Attend General Meetings	106.

DISQUALIFICATION, REMOVAL AND RETIREMENT OF DIRECTORS

Vacation of Office	107.
Director Not to Retire on Account of Age	108.

REMUNERATION OF DIRECTORS

Ordinary and Special Remuneration	109.
Directors' Expenses	110.

DIRECTORS' APPOINTMENTS AND INTERESTS

Executive Directors	111.
Directors' Interests	112.
Directors' Interests Defined	113.
Votes of Interested Directors	114.
Votes on Own Appointment	115.
Directors' Holding	116.
Material Interest	117.
Contracts	118.
Materiality of Interest and Relaxation	119.

DIRECTORS' GRATUITIES AND PENSIONS

PROCEEDINGS OF DIRECTORS

Board Meetings	121.
Notice of Board Meetings	122.
Voting	123.
Quorum	124.
Vacancies in the Board	125.
Chairman	126.

Competence of the Board	127.
Company Minute Books	128.
Validity of Acts of the Board or Committee	129.
Written Resolution	130.
Meetings by Telephone	131.
Voting Power in Other Companies	132.
<u>SECRETARY</u>	133.
<u>THE SEAL</u>	134.
<u>AUTHENTICATION OF DOCUMENTS</u>	135.
<u>DIVIDENDS</u>	
Company May Declare Dividends	136.
Interim Dividends	137.
Dividends Paid According to Amounts Paid Up	138.
Non-Cash Dividends	139.
Scrip Dividends	140.
Right to Deduct Amounts from Dividends	141.
Payment Procedure	142.
Receipt by Joint Holders	143.
No Interest on Dividend	144.
When Company Need Not Pay	145.
Unclaimed Dividends	146.
Record Dates	147.
<u>ACCOUNTS</u>	
Records	148.
Copy of Accounts to Members	149.
<u>CAPITALISATION OF PROFITS</u>	150.
<u>RESERVES</u>	151.
<u>NOTICES</u>	152-158.
<u>WINDING UP</u>	159-160.
<u>INDEMNITY</u>	161.

The Companies Act 1985

Public Company Limited by Shares

ARTICLES OF ASSOCIATION

of

PROFESSIONAL STAFF plc

(As adopted pursuant to a Special Resolution passed on 19th June 1996)

PRELIMINARY

1. These regulations constitute the articles of the Company. Table A is excluded for the purposes of Section 8(2) Companies Act 1985.
2. The Company is a public company within the meaning of the Companies Act 1985.

INTERPRETATION

3.1 In these articles the following expressions shall, unless the context otherwise requires, have the following meanings:-

"the Act"	the Companies Act 1985 (as amended from time to time);
"the articles"	these Articles of Association as originally adopted or as altered from time to time;
"Auditors"	the auditors of the Company for the time being or, in the case of joint auditors, any one of them;
"Board"	the Directors or (as appropriate) those Directors present at a duly convened meeting of the Directors at which a quorum is present;
"clear days"	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"Director"	a director for the time being of the Company;
"executed"	includes any mode of execution;
"holder"	in relation to the shares means the member whose name is entered in the register of members as the holder of the shares;
"Office"	<i>means the registered office of the company;</i>
"paid up"	paid up or credited as paid up;
"person entitled by transmission"	a person entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law;
"recognised clearing house"	a recognised clearing house within the meaning of the Financial Services Act 1986 acting in relation to a recognised investment exchange;
"recognised investment exchange"	as defined in Section 207 of the Financial Services Act 1986 including the NASDAQ National Market System;
"Register"	the register of members of the Company;
"Seal"	any common seal of the Company or any official seal kept by the Company pursuant to the Statutes;
"Secretary"	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary and any person appointed to perform the duties of secretary temporarily or in any particular case;
"Securities Seal"	an official seal kept by the Company pursuant to Section 2 of the Stock Exchange (Completion of Bargains) Act 1976;
"shares"	<i>unless the context otherwise requires, means shares in the Company;</i>
"Statutes"	every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) for the time being in force concerning companies and

affecting the Company;

"the Stock Exchange" the London Stock Exchange Limited;

"United Kingdom" Great Britain and Northern Ireland.

3.2 Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Statutes including any modification, amendment or re-enactment thereof.

- 3.2.1 The expressions "debenture" and "debenture holder" include "debenture stock" and "debenture stockholder".
- 3.2.2 References to writing include any method of reproducing or representing words in a legible and non-transitory form.
- 3.2.3 A reference to a statute or a statutory provision includes any amendment or re-enactment thereof.
- 3.2.4 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.
- 3.2.5 References to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- 3.2.6 Headings are inserted for convenience only and shall not affect the construction of the articles.

Form of Resolutions

3.3 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under the Statutes or the articles and a special resolution shall be effective for any purpose for which an extraordinary resolution is expressed to be required.

SHARE CAPITAL

Authorised share capital

4. At the date of adoption of the articles the authorised share capital of the company is £480,000 divided into 24,000,000 Ordinary Shares of 2p each which shall constitute one class of shares and shall rank equally in all respects in accordance with the articles.

Class Rights

5. Subject to the provisions of the Statutes and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or subject to such restrictions as the Company may by ordinary resolution determine (or, in the absence of any such determination or in so far as any such ordinary resolution does not make specific provision, as the Board may determine).

Redeemable Shares

6. Subject to the provisions of the Statutes and without prejudice to any rights attached to any existing shares, shares may be issued which are to be redeemed or which are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the articles.

Allotment of Relevant Securities

7. Subject to the Statutes, the Company may at any time and from time to time pass an ordinary resolution authorising the Board to allot relevant securities (as defined for the purposes of Section 80 of the Act) and, upon the passing of such an ordinary resolution and unless otherwise specified in such resolution:-

- 7.1 the Board shall thereupon and without further formality be generally and unconditionally authorised to allot relevant securities provided that the nominal amount of such securities where they are shares, and, where such securities are not shares, the nominal amount of the shares in respect of which securities confer the right to subscribe or convert, shall not exceed in aggregate the sum specified in such ordinary resolution;
- 7.2 any such authority shall (unless varied or abrogated by ordinary resolution passed at an intervening general meeting) expire at the conclusion of the next Annual General Meeting of the Company next following the passing of such ordinary resolution save that the Company shall be entitled before such expiry to make an offer or agreement or arrangement which would or might require relevant securities to be allotted after such expiry and the Board shall be entitled to allot relevant securities in pursuance of such offer or agreement or arrangement as if such authority had not expired;
- 7.3 and all (if any) previous authorities under Section 80 of the Act shall thenceforth cease to have effect without prejudice to any allotments made or agreed to be made pursuant to the terms of such authorities.

Disapplication of Pre-emption Provisions

8. Subject to the Statutes, the Company may at any time and from time to time resolve by a special resolution that the Board be empowered to allot equity securities (as defined for the purposes of Sections 89 to 96 of the Act) for cash and upon such special resolution being passed the Board shall (subject to it being authorised to allot relevant securities in accordance with Section 80 of the Act) thereupon and without further formality be empowered to allot (pursuant

to any such authority) equity securities for cash as if Section 89(1) of the Act did not apply to any such allotment, provided that such power shall (if so specified in such special resolution) be limited:-

- 8.1 to the allotment of equity securities pursuant to article 135 or in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be) to the respective value of shares held by them, the Board having the right to make such exclusions or arrangements as the Board shall deem necessary or expedient to deal with the laws of any territory or requirements of any recognised regulatory body or any other stock exchange in any territory or in connection with fractional entitlements or by virtue of shares being represented by depositary receipts;
- 8.2 to the allotment of equity securities pursuant to the terms of any share scheme for employees approved by the members in general meeting;
- 8.3 to the allotment (otherwise than pursuant to articles 8.1 or 8.2) of equity securities having, in the case of relevant shares (as so defined), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal sum not exceeding in aggregate the sum specified in such special resolution,

and such power shall (unless otherwise specified in such special resolution or varied or abrogated by special resolution passed at an intervening extraordinary general meeting) expire at the conclusion of the annual general meeting of the Company next following the passing of such special resolution save that the Company shall be entitled before such expiry to make an offer or agreement or arrangement which would or might require equity securities to be allotted after such expiry and the Board shall be entitled to allot equity securities in pursuance of such offer or agreement as if such power had not expired.

Unissued Shares

9. Subject to the provisions of the Statutes and the articles and of any resolution of the Company in general meeting passed pursuant thereto, the Board may offer, allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of shares or rights to subscribe for, or to convert any security into, shares to such persons and on such terms as it thinks fit.

Payment of Commissions

10. The Company may exercise the powers of paying commissions and brokerage conferred or permitted by the Statutes. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment (or an option to call for the allotment) of fully or partly paid shares or partly in one way and partly in the other.

Trusts not Recognised

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law or under an order of a Court of competent jurisdiction) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

Variation of Rights

12. Subject to the provisions of the Statutes, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied with the written consent of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up (but not otherwise). The provisions of the Statutes and of the articles relating to general meetings shall mutatis mutandis apply to any such separate meeting, except that:-

- (i) the necessary quorum shall be at least two persons holding or representing by proxy not less than one-third in nominal amount of the issued shares of that class or, at any adjourned meeting of holders of shares of that class at which such a quorum is not present, shall be any such holder who is present in person or by proxy whatever the number of shares held by him;
- (ii) any holder of shares of that class present in person or by proxy may demand polls; and
- (iii) every holder of shares of that class shall on a poll have one vote in respect of every share of that class held by him.

Pari Passu Issues

13. The rights attached to any share or class of shares shall not, unless otherwise expressly provided by its terms of issue, be deemed to be varied by the creation or issue of further shares ranking pari passu with it.

SHARE CERTIFICATES

Right to Certificates

14. Every person, upon becoming the holder of any shares in the Company, shall be entitled without payment to one certificate for all the shares of each class registered in his name within the time specified by the Statutes (and, upon transferring a part of his holding of shares of any

class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate (after the first) of such reasonable sum as the Board may determine (subject to surrender for cancellation of any existing certificate representing such shares). Every shareholder shall be entitled to receive one certificate in substitution for several certificates for shares of one class registered in his name upon surrender to the Company of all the share certificates representing such shares.

Joint Shareholders

15. The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and delivery of a certificate to one of the joint holders shall be a sufficient delivery to all of them.

Clearing Houses and Investment Exchanges

16. No certificate will normally be issued in respect of shares held by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange.

Sealing of Certificates

17. Every certificate for shares shall be issued under the Securities Seal (or in such other manner as the Board, having regard to the terms of issue, the Statutes and the regulations of the relevant recognised investment exchange Stock Exchange, or any other relevant regulatory authority may authorise) and shall specify the shares to which it relates, the distinguishing number (if any) of the shares and the amount paid up on the shares.

Replacement of Certificates

18. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Board may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

Company's Lien

19. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) payable at a fixed time or called in respect of that share and for all monies due to the company and payable by the holder thereof or his estate. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a share shall extend to any amount

payable in respect of it.

Enforcing Lien by Sale after Notice

20. The Company may sell, in such manner as the Board determines, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled by transmission to his share, demanding payment and stating that if the notice is not complied with the shares may be sold.

Manner of Sale

21. To give effect to a sale, the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale and he shall not be bound to see the application of the purchased money.

Application of Sale Proceeds

22. The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any monies not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares immediately before the sale.

CALLS ON SHARES

Calls

23. Subject to the terms of issue, the Board may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part as the Board may determine. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

Time of Call

24. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

Liability of Joint Holders

25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest

26. If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) and all expenses that may have been incurred by the Company by reason of such non-payment but the Board may waive payment of the interest and/or expenses wholly or in part.

Sums Due Treated as Calls

27. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if the amount had become due and payable by virtue of a call.

Power to Differentiate

28. Subject to the terms of allotment, the Board may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

Advance Payment of Calls

29. The Board may, if it thinks fit, receive from any member willing to advance them all or any part of the monies unpaid and uncalled upon the shares held by him and may pay interest upon the monies so advanced (to the extent such monies exceed the amount of the cause due and payable upon the shares in respect of which they have been advanced) at such rate (not exceeding 15% per annum unless the Company by ordinary resolution otherwise directs) as the Board may determine. A payment in advance of calls shall extinguish, to the extent of it the liability upon the shares in respect of which it is advanced.

FORFEITURE OF SHARES

Notice if Call not Paid

30. If a call remains unpaid after it has become due and payable the Board may at any time give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited and, in such case, references in the articles to forfeiture shall include surrender.

Forfeiture if Notice Not Complied With

31. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by (and with effect from the time of the passing of) a resolution of the Board and the forfeiture shall include all dividends or other monies payable in respect of the forfeited shares and not paid before the forfeiture.

Notice of Forfeiture

32. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was, before the forfeiture, the holder of the share, but a forfeiture shall not be invalidated by any failure to give such notice.

Sale of Forfeited Share

33. Subject to the provisions of the Statutes, a forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board may determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the share to that person.

Arrears to be Paid Notwithstanding Forfeiture

34. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those monies at such rate (not exceeding 15% per annum) as the Board may determine from the date of forfeiture until payment but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

Statutory Declaration and Validity of Sale

35. A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

UNTRACED SHAREHOLDERS

Power to Sell Shares of Untraced Shareholders

36.1 The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale any shares of the holder or any shares to which a person is entitled by transmission if and provided that:-

36.1.1 for a period of at least 12 years prior to the date of the publication of the advertisements (or the first thereof) referred to in paragraph 36.1.2 below ("the qualifying period") no cheque or warrant or other payment sent by the Company in the manner authorised by the articles has been cashed, the Company has paid at least three dividends (whether interim or final), and no dividend has been claimed;

36.1.2 the Company has at the expiration of the qualifying period given notice of its intention to sell such shares by two advertisements, one in a leading national daily newspaper published in the United Kingdom and the other in a newspaper circulating in the area of the address shown in the Register of the holder or person entitled by transmission;

36.1.3 so far as the Board is aware, the Company has not during the qualifying period or the period of three months after the date of such advertisements (or the later of the two dates if they are published on different dates) and prior to the exercise of the power of sale received any communication from the holder or person entitled by transmission; and

36.1.4 if any part of the share capital of the Company is admitted to a recognised investment exchange, the Company has, if required, given notice in writing to such exchange of its intention to sell such share or the Company has complied with any similar requirements required by that exchange.

36.2 If during the qualifying period referred to in Article 36.1.1 above or the three month period referred to in Article 36.1.3 above further shares have been issued in respect of those held at the beginning of the qualifying period or of any previously issued during the qualifying period or the three month period and all other requirements of Article 36.1 have been satisfied in respect of the further shares, the Company may also sell such further shares.

Manner of Sale and Creation of Debt

37. To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares and such instrument of transfer shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The transferee shall not be bound to see to the application of the purchase money and his title shall not be affected by any irregularity or invalidity of the proceedings in reference to the sale. The net proceeds of sale shall belong to the Company which shall be permanently indebted to the former holder or person entitled by transmission for an amount equal to such proceeds and shall

enter the name of such former member or other person in the books of the Company as a creditor for such amounts. No trust shall be created in respect of the debt, no interest shall be payable in respect of it and the Company shall not be required to account for any monies earned on the net proceeds, which may be employed in the business of the Company or otherwise invested as the Board thinks fit.

TRANSFER OF SHARES

Form and Execution of Transfer

38. Subject to such of the restrictions in the articles as may be applicable, a member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the Board may approve and may be under hand only. A transfer shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

Right to Refuse Registration of Transfer

39. The Board may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve without giving any reason for so doing. The Board may refuse to register the transfer of a share (whether fully paid or not) if it is in favour of more than four persons jointly or on which the company has a lien or if it is in favour of a minor, bankrupt or person of unsound mind. The Board may also refuse to register the transfer of a share (whether fully paid or not) unless:-

39.1 it is lodged, duly stamped (if necessary), at the Office or at such other place as the Board may appoint and is accompanied by the certificate(s) for the shares to which it relates (where a certificate has been issued in respect of the shares) and such transfer is in all respects in compliance with any legend borne on the certificate in question which results from an agreement between the Company and/or any such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

39.2 it is in respect of only one class of share.

Notice of Refusal

40. If the Board refuses to register a transfer of a share, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

Suspension of Registration

41. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any calendar year) as the Board may determine.

No Fee for Registration

42. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

Retention of Documents

43. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

Destruction of Documents

44. The Company may destroy:-

- 44.1 any instrument of transfer of shares and any other document on the basis of which an entry is made in the Register, at any time after the expiration of six years from the date of registration;
- 44.2 any dividend mandate or any variation or cancellation thereof and any notification of change of name or address, at any time after the expiration of two years from the date it was recorded; and
- 44.3 any share certificate which has been cancelled, at any time after the expiration of one year from the date of cancellation.

Destruction Presumed Valid

45. It shall be conclusively presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share certificate so destroyed was a valid and effective document duly and properly cancelled and that every other document so destroyed was a valid and effective document in accordance with its particulars recorded in the books or records of the Company, provided always that:-

- 45.1 the provisions of this article shall apply only to the destruction of a document in good faith and without express notice that its retention was relevant to any claim (regardless of the parties to the claim);
- 45.2 nothing contained in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than the times mentioned above or in any case where the conditions of the previous sub-clause are not fulfilled; and
- 45.3 references in this article to the destruction of any document includes reference to

its disposal in any manner.

TRANSMISSION OF SHARES

Transmission on Death

46. If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only person recognised by the Company as having any title to his shares; but nothing contained in this Article shall release the estate of the deceased member from any liability in respect of any share solely or jointly held by him.

Election of Person Entitled by Transmission

47. A person becoming entitled by transmission may, upon such evidence being produced as the Board may require, elect either to become the holder of the shares or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer or notice executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

Rights in Respect of Share

48. A person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law shall (upon supplying to the Board such evidence as it may require) have the same rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it (except with the consent of the Board) to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company until he is registered as the holder of the share. The Board may at any time give notice to such person requiring him to elect either to become the holder of the share or to transfer the share and if the notice is not complied with within 60 clear days the Board may withhold payment of all dividends and other monies payable in respect of the share until he complies with the notice.

ALTERATION OF SHARE CAPITAL

Increase, Consolidation, Sub-Division and Cancellation

49. The Company may by ordinary resolution:

- 49.1 increase its share capital by new shares of such amount as the resolution prescribes;
- 49.2 consolidate and divide all or any of its share capital into shares of larger amount

than its existing shares;

- 49.3 subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or special rights or be subject to any restrictions as compared with the others as the Company has power to attach to unissued or new shares; and
- 49.4 cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.

Fractions

50. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may, on behalf of those members, deal with the fractions as they think 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 Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members, (save for amounts of £3 or less which shall be retained for the benefit of the Company) and the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee 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 in or invalidity of the proceedings in reference to the sale.

Reduction of Capital

51. Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any way.

PURCHASE OF OWN SHARES

52. Subject to the provisions of the Statutes, the Company may purchase its own shares (including any redeemable shares). If any shares of the Company convertible into shares of another class are outstanding, the Company may not purchase any of its own shares unless the purchase has been sanctioned (at the time that authority for a market purchase is given or an off market purchase contract is approved) by an extraordinary resolution passed at a separate meeting (or meetings if there is more than one class) of the holders of the convertible shares unless either the terms of issue of such convertible shares permit the Company to purchase its own equity shares or the purchase contract has been approved by an extraordinary resolution passed at a separate meeting of the holders of such convertible shares. Neither the Company nor the directors shall be required to select the shares to be purchased ratably or in any 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 attached to any class of shares.

GENERAL MEETINGS

Extraordinary General Meetings

53. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may convene an extraordinary general meeting whenever and at such place as it thinks fit.

Calling General Meetings

54. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Statutes, shall forthwith proceed to convene an extraordinary general meeting for a date not later than four weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any member of the company may call a general meeting.

NOTICE OF GENERAL MEETINGS

Length of Notice

55. Subject to the Statutes, an annual general meeting and any extraordinary general meeting called for the passing of a special resolution or a resolution of which special notice has been given to the Company shall be called by at least twenty-one clear days' notice. Subject to the Statutes all other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

- 55.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- 55.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent, in nominal value of the shares giving that right.

The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. If any resolution is to be proposed as an extraordinary resolution or special resolution the notice must contain a statement to that effect. There must appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

Persons Entitled to Receive Notice

56. Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all members, and to the Directors and Auditors.

Omission

57. The accidental omission to give notice of a meeting or to send an instrument of proxy with a notice (where required by the articles) to, or the non-receipt of notice of a meeting or instrument of proxy by, any person entitled to receive either or both shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

58. No business other than the appointment of a chairman shall be transacted at any meeting unless a quorum is present. At least two persons present and entitled to vote (each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member) shall be a quorum for all purposes.

Procedure if Quorum Not Present

59. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case the meeting shall stand adjourned to such other day (being not less than 7 nor more than 28 days later), time and place as the chairman of the meeting may decide (or, in default, the Board). When a meeting is adjourned for 14 days or more, at least 7 clear days' notice of any meeting adjourned because of the lack of a quorum shall be given. If a quorum is not present at the adjourned meeting within half an hour from the time appointed for the meeting or if a quorum ceases to be present during the meeting, the meeting shall be dissolved.

Chairman of Meeting

60. The chairman, if any, of the Board or in his absence a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within 10 minutes after the time appointed for the holding of the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman, if willing to act.

Members' Election of Chairman

61. If no Director is present or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

Meeting at More Than One Place

62. A general meeting or adjourned meeting may be held at more than one place. The notice of meeting shall specify the place at which the chairman will be present (the "Principal Place") and a letter accompanying the notice will specify any other place(s) at which the

meeting will be held simultaneously.

Place(s) to be Specified

63. A general meeting or adjourned meeting may be held in one room or a series of rooms at the place specified in the notice of meeting or any other place at which the meeting is to be held simultaneously.

Participation

64. If the meeting is held in more than one place and/or in a series of rooms, it will not be validly held unless all persons entitled to attend and speak at the meeting are able:-

- 64.1 if excluded from the Principal Place or the room in which the chairman is present, to attend at one of the other places or rooms;
- 64.2 to communicate with one another audio-visually throughout the meeting;
- 64.3 the Board may make such arrangements as it thinks fit for simultaneous attendance and participation at the meeting and may vary any such arrangements or make new arrangements. Arrangements may be notified in advance or at the meeting by whatever means the Board thinks appropriate to the circumstances. Each person entitled to attend the meeting will be bound by the arrangements made by the Board;
- 64.4 where a meeting is held in more than one place and/or a series of rooms, then for the purpose of the articles a meeting shall consist of all those persons entitled to attend and participate in the meeting who attend at any of the places or rooms.

Adjournments

65. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and/or from place to place. In addition, the chairman may, without the consent of the meeting, adjourn the meeting from time to time and from place to place if it appears to the chairman that:-

- 65.1 the number of persons wishing to attend cannot be conveniently accommodated in the place(s) appointed for the meeting; or
- 65.2 the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or
- 65.3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a

meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

POLLS

Calling a Poll

66. A resolution put to the vote of a general meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:

- 66.1 by the chairman of the meeting; or
- 66.2 by at least five members having the right to vote at the meeting; or
- 66.3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- 66.4 by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

Conclusive Evidence of Passing of Resolution

67. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Right to Withdraw Demand for Poll

68. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a demand is withdrawn any other members entitled to demand a poll may do so. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

Procedure if Poll Demanded

69. A poll shall be taken as the chairman directs (including the use of ballot or voting papers, polling cards or tickets) and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to

be the resolution of the meeting on which the poll was demanded.

Time of Poll

70. 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 either forthwith or at such date, time and place as the chairman directs not being more than thirty days after the poll is demanded. 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 the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

Notice of Poll

71. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded unless the chairman otherwise directs. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

Votes of Members

72. Subject to any rights or restrictions attached to any shares on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.

Votes of Joint Holders

73. 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 joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register.

Votes of Member Suffering Incapacity

74. A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder or incapacity to manage one's affairs may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court or official, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the 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.

No Right to Vote Where Sums Overdue on Shares

75. No member shall vote at any general meeting or at any separate meeting of the holders of any class of share in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

Votes on a Poll

76. On a poll, votes may be given either personally or by proxy.

Casting Vote

77. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

Suspension of Voting Rights

78.1 No member shall, unless the Board otherwise determines, be entitled in respect of any share comprised in relevant share capital (as defined in Section 198(2) of the Act) held by him to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares, or to exercise any other right conferred by membership in relation to any such meeting if and for so long as such default continues he or any other person appearing to be interested in the share has been given a notice under Section 212 of the Act ("a Section 212 Notice") and has failed to give the Company the information thereby required within 14 days from the date of the notice.

78.2 Without prejudice to the provisions of sub-paragraph 78.1 of this article, no member holding shares representing 0.25% or more in nominal value of the issued shares of any class of capital in the Company shall, unless the Board otherwise determines be entitled:-

78.2.1 in respect of any such shares, to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares, or to exercise any other right conferred by membership in relation to any such meeting;

78.2.2 to receive payment of any dividend or other distribution payable in respect of such shares which dividend or other distribution shall be retained by the Company without liability to pay interest;

78.2.3 to transfer any such shares otherwise than:-

78.2.3.1 pursuant to an acceptance of a take-over offer;

78.2.3.2 through a recognised investment exchange or other

recognised market;

- 78.2.3.3 in any other manner which the directors are satisfied is bona fide, to a person unconnected with the transfer and at arm's length;

(in each case hereinafter referred to as an "arm's length sale") if he or any person appearing to be interested in such shares has been given a Section 212 Notice and has failed to give the Company the information thereby required within 14 days from the date of the notice, provided that on registration of a transfer of such shares (or the interests in such shares represented by any depositary receipts) pursuant to any arm's length sale or upon all information required by the Section 212 Notice being given, such restrictions shall cease to apply in respect of such shares and any dividend withheld shall be paid.

78.3 For the purposes of this article:-

78.3.1 a person other than the member holding a share shall be treated as appearing to be interested in that share. If the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a Section 212 Notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;

78.3.2 "interested" shall be construed as it is for the purpose of Section 212 of the Act and for the avoidance of doubt shall include any owner (beneficial or otherwise) of depositary receipts (or rights therein) representing shares in the capital of the Company;

78.3.3 "take-over offer" shall have the meaning ascribed to it in Section 428 of the Act; and

78.3.4 reference to a person having failed to give the Company the information required by a notice includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

78.4 Where, on the basis of information obtained from any member in respect of any share held by him, the Company gives a Section 212 Notice to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of sub-paragraphs 78.1 or 78.2 of this article.

78.5 Where the member on whom the Section 212 Notice is served is the ADR Depositary (as defined below) acting in its capacity as such the obligations of the ADR Depositary as a member pursuant to the provisions of this article shall be limited to disclosing to the Company such information relating to the shares in question as is required pursuant to any terms entered

into between the ADR Depositary and the Company in respect thereof provided that nothing in this paragraph 78.5 shall in any other way restrict the powers of the Board under this article.

78.6 Where any shares are issued pursuant to any rights issue or capitalisation issue in right of any default shares, the Board may determine that the holder of, or person entitled by transmission to, such shares is subject to sanctions in respect of such shares as if those shares were shares in respect of which a Section 212 Notice has been given and the Company has not been given the information required thereby in accordance with article 78.1 above. If the directors so determine, they shall give notice in writing of the determination to the holder of, or person entitled by transmission to, such shares.

78.7 For the purposes of this article:-

"ADR Depositary" means a custodian or depositary or his nominee, approved by the directors, under contractual arrangements with the Company by which he or that nominee holds shares in the Company or interim rights in respect of such shares or shares deriving from such shares and he or another person issues:-

- (i) American Depositary Receipts evidencing rights in relation to those shares or a right to receive them; or
- (ii) interim American Depositary Receipts evidencing such interim rights or a right to receive them, and references to Depositary Receipts or American Depositary Receipts in these articles shall include interim American Depositary Receipts.

78.8 Nothing in this article shall limit the power of the Company under Section 216 of the Act or any other power whatsoever.

Objections or Errors in Voting

79. If:-

79.1 any objection shall be raised to the qualification of any voter; or

79.2 any votes have been counted which ought not to have been counted or which might have been rejected; or

79.3 any votes are not counted which ought to have been counted;

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

Amendment of Resolution

80. If an amendment is proposed to any resolution under consideration which the chairman in good faith rules out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as an extraordinary resolution or special resolution, no amendment (other than a clerical amendment to correct a patent error) may be considered or voted upon.

PROXIES

Execution of an Instrument of Proxy

81. An instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its Seal or under the hand of an officer, attorney or other person authorised to sign it. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.

Times for Deposit of an Instrument of Proxy

82. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board shall:

- 82.1 be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting 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
- 82.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 82.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. An instrument of proxy shall cease to be valid after the expiration of 12 months from the date of its execution. When two or more valid but inconsistent instruments of proxy are delivered in respect of the same share for use at the same meeting the one which is last delivered (regardless of its date or of the date of execution) shall be treated as replacing the others as regards that share; if the Company is unable to determine which was last delivered none of them shall be treated as valid in respect of that share.

Form of Proxy

83. An instrument of proxy shall be in any usual or common form or any other form which the Board may approve. The instrument of proxy shall be deemed to include the right to

demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy. The proxy shall, unless the contrary is stated in it be as valid for any adjournment of the meeting as for the meeting to which it relates.

Validity of Proxy

84. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid, notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice in writing of such determination was received by the Company at the Office (or at such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or in any instrument proxy sent out by the Company in relation to the meeting or adjourned meeting) not later than the last time in which an instrument of proxy could have been delivered in order to be valid for use.

NUMBER OF DIRECTORS

85. Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be less than two nor more than fifteen.

ALTERNATE DIRECTORS

86. Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.

87. An alternate Director shall (subject to his giving to the Company an address for service whether within the United Kingdom or not) be entitled to receive notice of all meetings of the Board and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence. A Director present at a meeting of the Board and appointed as an alternate Director for another Director shall have an additional vote for each of his appointors absent from such meeting (but shall count as one only for the purpose of determining whether a quorum is present).

88. An alternate Director shall cease to be an alternate Director if he resigns, or if for any reason his appointment is revoked, or if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment.

89. Any appointment or removal of an alternate director shall be by notice in writing to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board. The appointment of an alternate Director shall be revoked on the happening of any event which, if he were a Director would cause him to vacate such office under the provisions of the articles.

90. Save as otherwise provided in the articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. An alternate Director may contract and be interested in and benefit from contracts or arrangements or transactions and be repaid expenses and indemnified to the same extent mutatis mutandis as if he were a Director but, save to the extent that his appointor directs the payment to him of part or all of the remuneration which would otherwise be payable to his appointor, he shall not be entitled to any remuneration from the Company for acting in that capacity.

POWER OF DIRECTORS

General Powers of the Company Vested in the Directors

91. Subject to the provisions of the Statutes, the memorandum and the articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all powers of the Company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Board by the articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

Appointment of Agents

92. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers. The Board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

DELEGATION OF DIRECTORS' POWERS

Local Boards

93. The Board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards or to act as managers or agents and may fix their remuneration. The Board may delegate any of their powers, authorities or discretions (with power to sub-delegate) to any local or divisional board, manager or agent and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies. Any such appointment or delegation may be made on such terms and subject to such conditions as the Board may decide and the Board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

Delegation to Individual Directors

94. The Board may entrust to and confer upon a Director any of its powers, authorities and discretions (with power to sub-delegate) on such terms (subject to the provisions of the Statutes) and subject to such conditions as it may decide and either collaterally with or to the exclusion of its own powers, authorities and discretions. The board may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

Delegation to Committees

95.1 The Board may delegate any of their powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons as it thinks fit provided that the majority of the members of any such committee consist of Directors of the Company. Subject to any regulations imposed on it by the Board, the proceedings of any such committee shall be governed by the provisions in the articles for regulating proceedings of the Board so far as applicable except that no resolution of a committee shall be effective unless a majority of the committee present at the meeting and entitled to vote on that resolution are Directors. A member of a committee shall be paid such remuneration (if any) in such manner and to such extent as the Board may decide, and, in the case of the Director, either in addition to or in place of his ordinary remuneration as a Director. Where the Board has delegated any of its powers, authorities and discretions to a committee in accordance with this article, the expression the "Board" shall, unless the context otherwise requires, be deemed for the purposes of the articles to include that committee or the members of that committee present at a duly convened meeting of that committee at which a quorum is present.

95.2 Without prejudice to the generality of sub-paragraph 1 of this article and notwithstanding any other provision of the articles, the Board may delegate its powers:-

95.2.1 to determine or vary the remuneration of any Director (whether ordinary, addition or special remuneration) or other officer of the company; and/or

95.2.2 to provide benefits of the kind referred to in article 120. To a committee ("the compensation committee") duly appointed in accordance with sub-paragraph 1 of this article provided that the committee shall not have power;

- (a) to determine or vary the remuneration of any of its own members, but only to make recommendation to the Board in respect of any such remuneration; and/or
- (b) to provide benefits of the kind referred to in article 120 for any of its own members unless a Director would be entitled under these articles to vote on and be counted in the quorum in respect of any resolution concerning any contract comprising any such benefits, but only to make recommendations to the Board in respect of such benefits.

95.3 Further, without prejudice to the generality of sub-paragraph 1 of this article, the Board

may delegate its powers to an "audit" committee inter alia to review and consider the Company's annual financial statements and evaluate the performance of the Company' Auditors.

SPECIFIC POWERS OF DIRECTORS

Provision for Employees and Employee Share Schemes

96. The Board may exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (i) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary and (ii) through employees share schemes or saving or other similar schemes. The number of shares which may be available from time to time for issue pursuant to employee share schemes shall, subject always to the rules of such schemes, at all times be subject to the discretion of the Board and in exercising such discretion the ability of each Director to vote in respect thereof shall be subject to the provisions of article 114.

Power to Effect Insurance for Directors and Officers

97. The Board shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, Auditors, or employees of any "Relevant Company" (as defined below) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, power or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme. For these purposes, "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

Borrowing Powers

98. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company 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 third party.

APPOINTMENT OF DIRECTORS

Number to Retire by Rotation

99. Subject to article 111, at every annual general meeting one third of the Directors who

are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but less than one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire.

Identity of Directors to Retire

100. Subject to the provisions of the Statutes and of the articles, 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 re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the entire Board of Directors at the start of business on the date of the notice convening the 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 that time on the date of the notice but before the close of the meeting. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost.

Eligibility for Appointment as a Director

101. No other person than a Director retiring whether by rotation or otherwise shall be appointed or re-appointed a Director at any general meeting unless:-

101.1 he is recommended by the Board;

101.2 not fewer than seven nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been delivered to the office of the intention to propose that person for appointment or re-appointment stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the company's Register of Directors together with notice executed by that person of his willingness to be appointed or re-appointed.

Power of Company to Appoint Directors

102. Subject to the provisions of the articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.

Power of the Board to Appoint Directors

103. The Board may appoint a 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 the articles as to the

maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation at the meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion of the meeting.

Position of Retiring Directors

104. Subject to the provisions of the articles, a Director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, 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.

Company's Power to Remove a Director and Appoint Another in his Place

105. The Company may (in addition to any power conferred by the Statutes) by an ordinary resolution remove any Director before the expiration of his period of office (without prejudice to any claim for damages which such Director may have under any contract) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director.

No Share Qualification and Right to Attend General Meetings

106. No shareholding qualification for Directors shall be required. Each Director shall be entitled to receive notice of and attend and speak at any general meeting or separate meeting of the holders of any class of shares or debentures of the company.

DISQUALIFICATION, REMOVAL AND RETIREMENT OF DIRECTORS

Vacation of Office

107. The office of a Director shall be vacated forthwith and automatically if:-

107.1 he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited by law from being a director; or

107.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

107.3 he is, or may be suffering from mental disorder and either:

107.3.1 he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Directors resolve that his office is related; or

107.3.2 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

107.3.3 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

107.4 he resigns his office by notice delivered to the Office or tendered at a meeting of the Board; or

107.5 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period (whether or not an alternate Director appointed by him attends) and the Directors resolve that his office be vacated; or

107.6 his resignation is requested by all other Directors (provided such other Directors are not fewer than two in number) by notice delivered to the office or tendered at a meeting of the Directors.

Director Not to Retire on Account of Age

108. No person shall be disqualified from being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age nor shall it be necessary by reason of his age to give special notice under the Statutes of any resolutions. Where the Board convenes any general meeting of the company at which (to the knowledge of the Directors) a Director will be proposed for appointment or re-appointment who will have attained the age of 70 years or more at the date for which the meeting is convened, the Directors shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that Director, at that meeting.

REMUNERATION OF DIRECTORS

Ordinary and Special Remuneration

109. Each of the Directors shall be paid a fee for his services at a rate determined by the Board from time to time provided that the aggregate of such fees paid to all Directors (excluding any amounts payable under any other provision of these articles) shall not exceed £200,000 per annum or such higher amount as the Company by ordinary resolution may determine from time to time and such fee shall be deemed to accrue from day to day. Any

Director who at the request of the Directors performs special services or goes or resides abroad for any purposes of the Company shall (unless the Company by ordinary resolution determines otherwise) receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

Directors' Expenses

110. The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Director.

DIRECTORS' APPOINTMENTS AND INTERESTS

Executive Directors

111. The Board may from time to time appoint one or more of its body to hold any employment or executive office with the Company (including that of a managing director or chief executive officer) for such period (subject to the provisions of the Statutes) and on such other terms as the Board may decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the Director may have against the Company or that the Company may have against the Director for any breach of any contract of service between him and the Company. A Director appointed to an executive office may be paid such remuneration in such manner as the Board may decide and either in addition to or in place of his ordinary remuneration as a Director. A managing director or chief executive officer shall not be subject to retirement by rotation.

Directors' Interests

112. Subject to the provisions of the Statutes, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:

112.1 may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the company (otherwise than as Auditor) and in either such case on such terms as to remuneration and otherwise as the Board may determine; any such remuneration shall be in addition to any remuneration provided for by any other article;

112.2 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;

112.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is

otherwise interested; and

- 112.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Directors Interests Defined

113. For the purposes of regulation 112:

113.1 a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement 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 transaction of the nature and extent so specified; and

113.2 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.

Votes of Interested Directors

114. Save as otherwise provided by the articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any matter in which he has, to his knowledge, directly or indirectly, an interest (other than his interest in shares or debentures or other securities of the Company) or duty which is material and which conflicts with the interests of the Company and, if he shall do so, his vote shall not be counted. It is expressly provided that the following provisions of this article 114 shall apply, so that the Director in question shall not be entitled to vote on and shall not be counted towards a quorum in respect of a resolution to grant any option over shares in the Company to such Director; and the following provisions shall be construed accordingly. A Director shall be entitled to vote on and be counted in the quorum in respect of any resolution concerning any of the following matters:-

114.1 the giving to him a of guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him at the request of, or, for the benefit of, the company or any of its subsidiaries;

114.2 the giving by the company to a third party of a guarantee, security or indemnity in respect of an obligation of the company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

114.3 subject as aforesaid, his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries,

or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures or other securities by the Company or any of its subsidiaries, whether pursuant to an employee share option scheme or otherwise (provided that the granting of share options pursuant to an employee share option scheme or otherwise shall be dealt with and resolved by a remuneration committee to be established pursuant to article 109.2);

114.4 any contract concerning the adoption, modification or operation of a superannuation fund, retirement, death or disability benefit scheme or personal pension scheme which relates both to Directors and employees of the company or of any of its subsidiaries and which either:-

114.4.1 has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; or

114.4.2 which does not accord to any Director as such any privilege or advantage not accorded to the employees to which such fund or scheme relates;

114.4.3 any contract for the benefit of employees of the Company or any of its subsidiaries under which he benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom the contract relates; and

114.4.4 any contract concerning any insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of, any Directors of the Company or for persons who include Directors of the Company.

114.5 any contract concerning any other company (including any subsidiary of the Company), not being a company in which the director owns 1% or more (as defined below), in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise;

Votes on Own Appointment

115. A Director shall not vote on, or be counted in the quorum in relation to, any resolution concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any company in which the Company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation

to each Director and in that case each of the Directors concerned shall be entitled to vote on and be counted in the quorum in relation to each resolution which does not concern either (a) his own appointment or the settlement or variation of the terms or termination of his own appointment; or (b) the appointment of another Director to an office or place of profit with a company in which the Company is interested and in which the Director seeking to vote and be counted in the quorum is interested by virtue of a holding of 1% or more (as defined below).

For the purposes of this article, an interest of a person who is for any purpose of the Statutes (excluding any statutory modification thereof not in force when this sub-article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

Directors' Holding

116. A company shall be deemed to be a company in which a Director has a holding of or owns 1% or more if and so long as he is directly or indirectly the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For this purpose, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any share comprised in a trust in which the Director's interest is in reversion or in remainder (if and so long as some other person is entitled to receive the income from such trust) and any such shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder.

Material Interest

117. Where a company in which a Director holds or owns 1% or more is materially interested in a contract, he shall also be deemed to be materially interested in that contract.

Contracts

118. References in articles 112 to 119 inclusive to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.

Materiality of Interest and Relaxation

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

interest (so far as it is known to the director) has not been fairly disclosed to the Board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the Board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in the case where the nature or extent of the interest of the chairman (so far as it is known to the chairman) has not been fairly disclosed to the Board.

Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of articles 112 to 119 inclusive to any extent or ratify any contract not duly authorised by reason of a contravention of this article.

DIRECTORS' GRATUITIES AND PENSIONS

120. The Board may provide benefits, whether by the payment of gratuities, pensions, annuities, allowances, bonuses, or by insurance or otherwise, for any Director or former Director who holds or who has held but no longer holds 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 subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) establish, maintain, support, subscribe to and contribute to any fund, trust or scheme for the benefit of all or any such persons and pay premiums for the purchase or provision of any such benefit. The Board may procure any of these matters to be done by the Company either alone or in conjunction with any other person.

PROCEEDINGS OF DIRECTORS

Board Meetings

121. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. Notice of a meeting shall be given to all Directors whether or not in the United Kingdom so long as the provisions in Article 122 relating to the providing of addresses is complied with.

Notice of Board Meetings

122. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth 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 notice 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 (whether or not in the United Kingdom), but such notice need not be given any earlier than notices given to Directors not so absent and in the absence of any such request 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 before or after the meeting.

Voting

123. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

Quorum

124. The quorum for the transaction of the business of the Directors may be fixed by the Board and unless so fixed at any other number shall be two.

Vacancies in the Board

125. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies in the board or of calling a general meeting. If there are no Directors or Director able or willing to act then any two members may call a general meeting of the members of the company for the purpose of appointing Directors.

Chairman

126. The Board may appoint one of their number to be the chairman of the Board of Directors and may at any time remove him from that office (and may similarly appoint and remove a deputy chairman). Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of the Board at which he is present. If there is no Director holding that office (or the office of deputy chairman), or if the Director holding that office (or the office of deputy chairman) is unwilling to preside or is not present within five minutes after the time appointed for the meeting the Directors present may appoint one of their number to be chairman of the meeting.

Competence of the Board

127. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Board.

Company Minute Books

128. The Board shall cause minutes to be made in books kept for the purpose of:-

128.1 all appointments of officers made by the Board;

128.2 all proceedings at meetings of the Company, of the holders of any class of shares in the Company and of the Directors and of committees appointed by the Board, including the names of the Directors

present at each such meeting;

- 128.3 any such minutes if purporting to be signed by the chairman of the meeting at which the appointments were made or proceedings held or by the chairman of the next succeeding meeting, shall be sufficient evidence of the facts therein stated without any further proof.

Validity of Acts of the Board or Committee

129. All acts done by a meeting of the Board, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

Written Resolution

130. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

Meetings by Telephone

131. Any Director may participate in a meeting of the Directors or of a committee of the Directors by means of conference telephone or any other communication equipment through which all those participating in the meeting can hear each other, and shall be deemed present at any meeting in which they participate in this manner and shall be counted in a quorum accordingly. 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 is.

Voting Power in Other Companies

132. The Board may cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of either of such powers in favour of a resolution appointing the Directors, or any of them, to be directors or officers of the other company or in favour of the payment of remuneration to the directors or officers of the other company.

SECRETARY

133. Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

THE SEAL

134.1 The Seal shall only be used by the authority of the Board or of a committee of Directors authorised by the Board. The Board may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

134.2 Where the Statutes so permit, any instruments signed by one Director and the Secretary or by two Directors 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 so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the board or of the committee appointed by the board in that behalf.

134.3 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.

134.4 The Securities Seal (if any) shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

AUTHENTICATION OF DOCUMENTS

135. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the memorandum and articles of association) and any resolutions passed by the Company or the Board or any committee appointed by the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

DIVIDENDS

Company May Declare Dividends

136. Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

Interim Dividends

137. Subject to the provisions of the Statutes, the Board may pay interim dividends of such amounts, on such dates and in respect of such periods as they think fit if it appears to them that they are justified by the profits of the Company available for distribution of such amounts and on such dates and in respect of such periods as it thinks fit. If the share capital is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to it that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Dividends Paid According to Amounts Paid Up

138. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but (for the purposes of this article only) no amount paid on a share by way of premium or in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Non-Cash Dividends

139. A general meeting declaring a dividend may, upon the recommendation of the Board, direct that it shall be satisfied wholly or partly by the distribution of assets and, in particular of paid-up shares or debentures of any other Company and, where any difficulty arises in regard to the distribution, the Board may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

Scrip Dividends

140. Subject to the provisions of the Statutes the Board may, if authorised by an ordinary resolution of the Company, offer the holders of ordinary shares (subject to such exclusions or other arrangements as the Board may consider necessary or expedient in relation to any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or recognised investment exchange) the right to elect to receive new ordinary shares credited as fully paid, instead of cash, in respect of all or part of the dividend specified by the ordinary resolution. The following provisions shall apply:-

- 140.1 an ordinary resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within the specified period, but

such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed;

- 140.2 the basis of allotment to each holder shall be such number of ordinary shares credited as fully paid as have a value as nearly as possible equal to (but not greater than) the amount of the dividend (disregarding any tax credit) which he has elected to forego. For this purpose the "value" of an ordinary share shall be deemed to be whichever is the greater of its nominal value and the average of the middle market quotations of an ordinary share on The Stock Exchange as derived from the Daily Official List (or similarly derived on any other relevant market where the same are quoted). On the day on which the shares are first quoted "ex" the relevant dividend and the four subsequent dealing days or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the Auditors as to the amount of the value in respect of any dividend shall be conclusive evidence of that amount;
- 140.3 no fraction of an ordinary share shall be allotted and if any holder would otherwise be entitled to fractions of a share, the directors may deal with the fractions as they think fit;
- 140.4 the Directors, after determining the basis of allotment, shall notify the holders of ordinary shares in writing of the right of election offered to them, and shall send with, or following, such notification, forms of election and shall specify the procedure to be followed and place at which, and the latest date and time by which, duly completed forms of election must be lodged in order to be effective;
- 140.5 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been duly made (the "elected shares") and instead additional ordinary shares shall be allotted to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose the directors shall capitalise, out of any amount standing to the credit of any reserves or fund (including the profit and loss account), whether or not the same is available for distribution, as the Directors may determine a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected shares on such basis;
- 140.6 the additional ordinary shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank *pari passu* in all respects and form one uniform class with

the fully paid ordinary shares then in issue except that they will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date.

Right to Deduct Amounts from Dividends

141. The Board may deduct from any dividend or other monies payable in respect of a share to a member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

Payment Procedure

142. Any dividend or other monies payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of the person who is first named in the Register or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If any such cheque or warrant has, or shall be alleged to have, been lost, stolen or destroyed, the Directors may, on request of the person entitled, issue a replacement cheque or warrant subject to compliance with such conditions as to evidence and indemnity and the payments of out of pocket expenses of the Company in connection with the request as the Board thinks fit. In addition, any such dividend or other monies may be paid by any bank or other funds transfer system or such other means and to or through such person as the person or persons entitled may in writing direct and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.

Receipt by Joint Holders

143. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other monies payable in respect of the share.

No Interest on Dividend

144. No dividend or other monies payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

When Company Need Not Pay

145. The Company may cease to send any cheque or warrant through the post or pay by any other means whatsoever in accordance with the articles for any dividend or pay any monies payable in respect of any share which is normally paid in that manner on that share if in respect of at least two consecutive dividends payable on that share the cheques or warrants have been returned and delivered or remained uncashed during the periods of which the same are valid or

any transfer by bank or other funds transfer system has not been satisfied but, subject to the provisions of the articles, the Company shall re-commence sending cheques or warrants or payment by such other means in respect of dividends or other monies payable on that share if the holder or person entitled by transmission communicates with the Company, claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way and supplies in writing to the Office an address for such purpose.

Unclaimed Dividends

146. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company and shall revert to the Company.

Record Dates

147. Notwithstanding any other provision of the articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTS

Records

148. The Board shall cause accounting records to be kept sufficient to give a true and fair view of the Company's state of affairs and to comply with the Statutes.

Copy of Accounts to Members

149. A printed copy of every profit and loss account and balance sheet including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in general meeting, together with copies of the Directors' and of the Auditor's reports (or such documents which may be required or permitted by law to be sent in place) shall not less than 21 clear days before the date of the meeting be sent to every member (whether he is or is not entitled to received notices of general meetings of the Company), and to every holder of debentures of the Company (whether he is or is not so entitled), and to the Auditors provided that if the Company is permitted by law to send to any member, to any holder of debentures of the Company or to the Auditors any summary financial statement in place of all or any of such profit and loss account and balance sheet or other documents, this article shall impose no greater obligation on the Company than that imposed by law; but this article shall not require a copy of those documents to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If the shares of the Company are dealt on any recognised investment exchange including the NASDAQ National Market System then the Company shall comply with any obligations relating to the publication or filing of its accounts. The accounting records shall be kept at the office or, subject to the Statutes, at such other place or places as the Board shall think fit, and

shall always be open to the inspection of the Directors. No member (other than as director) shall have any right of inspecting any accounting records or other book or document of the Company except as conferred by the Statutes or authorised by the directors or by ordinary resolution of the Company.

CAPITALISATION OF PROFITS

150. The Board may with the authority of an ordinary resolution of the Company:

150.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;

150.2 appropriate the sum resolved to be capitalised to the holders of ordinary shares on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their holdings at such time and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other. But the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

150.3 make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and

150.4 authorise any person to enter on behalf of all the members concerned 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 are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

RESERVES

151. The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as it thinks proper which, at the discretion of the Board shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. 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.

NOTICES

152. Any notice to be given pursuant to the articles shall be in writing (except that a notice calling a meeting of the Board need not be in writing) and the Company may give any such notice (including a share certificate) to a member or Director either personally or by sending it by post in a prepaid envelope addressed to the member or Director at his registered address 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.

153. 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 may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

154. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

155. Except as otherwise provided in the articles every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

156. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence, that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

157. A notice may be given by the Company to the persons entitled to a share by transmission by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, supplied by them for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

158. If at any time postal services within the United Kingdom are suspended or curtailed so that the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by a notice advertised in at least two daily newspapers with a national circulation and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission and who are entitled to have notice of the meeting served upon them, at noon on the day when the advertisement has appeared in at least two such papers. If at least six clear days prior to the meeting the giving of notice by post to addresses throughout the United Kingdom has, in the Board's opinion, become practicable, the

Company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

WINDING UP

159. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide among the members in specie or in kind the whole or any part of the assets of the Company (whether the assets are of the same kind or not) and may, for that purpose, set such values on any assets as he deems fair and with the like sanction determine how the division shall be carried out as between the members of different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he shall think fit. The liquidator may, with the appropriate sanctions, distribute the assets in one way or the other or partly in one way and partly the other. However, no member shall be compelled to accept any assets upon which there is a liability.

160. The power of sale of the liquidator shall include a power to sell wholly or partly for shares or debentures or other obligations of another Company, either then already constituted or about to be constituted, for the purpose of carrying out the sale.

INDEMNITY

161. Subject to the provisions of the Statutes but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings whether 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 judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, in each case including, to the extent permitted by the Statutes, against any liability incurred by him in connection with the securities laws or other laws of the United States of America.

Company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

WINDING UP

159. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide among the members in specie or in kind the whole or any part of the assets of the Company (whether the assets are of the same kind or not) and may, for that purpose, set such values on any assets as he deems fair and with the like sanction determine how the division shall be carried out as between the members of different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he shall think fit. The liquidator may, with the appropriate sanctions, distribute the assets in one way or the other or partly in one way and partly the other. However, no member shall be compelled to accept any assets upon which there is a liability.

160. The power of sale of the liquidator shall include a power to sell wholly or partly for shares or debentures or other obligations of another Company, either then already constituted or about to be constituted, for the purpose of carrying out the sale.

INDEMNITY

161. Subject to the provisions of the Statutes but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings whether 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 judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, in each case including, to the extent permitted by the Statutes, against any liability incurred by him in connection with the securities laws or other laws of the United States of America.

TRANSFER OF CERTAIN SHARES

162. (A) In this Article, references to "the Offer" are to be recommended cash offer made in the tender offer document dated 24 July 2000 by Granville Baird Limited on behalf of First Saddle Limited (the "Offeror") to acquire the issued and to be issued ordinary share capital and American Depositary Shares representing ordinary shares of the Company. Terms defined in the Offer and not otherwise defined in this Article 162 have the same meanings in this Article. In this Article "Relevant Shares" shall mean ordinary shares in the Company or American Depositary Shares representing ordinary shares which are unconditionally allotted on or after the

date on which the Offer becomes or is declared unconditional in accordance with its terms (“the Relevant Date”).

(B) (i) Any person who becomes a holder of Relevant Shares on or after the Relevant Date (“the Vendor”) may on any date after the date falling 20 Business Days after the Relevant Date give to the Offeror whilst it is a member in the Company a notice requiring the Offeror to purchase all the Relevant Shares so acquired by the Vendor (“the Disposal Shares”) for a cash consideration consisting of the cash price payable under the offer for each Relevant Share and the Vendor shall thereupon become bound to transfer and the Offeror shall be bound to purchase the Disposal Shares for such consideration.

(ii) The Offeror may on any date after the date falling 20 Business Days after the Relevant Date give a notice to the Vendor requiring the Vendor to sell to the Offeror the Disposal Shares for the consideration stated in Article 162(B)(i) and the Vendor shall be bound to purchase the Disposal Shares for such consideration.

(iii) A notice given under this Article 162(B) shall be irrevocable.

(C) To give effect to any transfer required by Article 162(B) or in order to give a notice under Article 162(B) (ii), the Company may appoint any person to receive notice on behalf of any Vendor under Article 162(B) (ii) and to execute as transferor, on behalf of the Vendor, a form of transfer in favour of the Offeror or its nominee. Any such transfer will be made at such time and place as the Company determines. Any such transfer will constitute a transfer of the entire legal and beneficial interest in the Disposal Shares concerned. The amount of cash consideration to be paid to the Vendor will be despatched to him at his registered address at his risk by or on behalf of the Offeror within 7 days of the date of transfer of the Disposal Shares concerned.

(D) Any notice given under Article 162(B) (i) after notice has been given with respect to the same Disposal Shares under Article 162(B) (ii) will not be valid notice and vice versa.