

Company No. 03280170

**The Companies Acts 1985 and 1989
Private Company limited by shares**

**Written Resolutions
of
Digital Projection International Limited
(the "Company")**

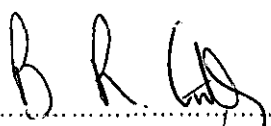
Dated *31 January* 2006

WE, the undersigned, being the sole shareholder of the Company hereby resolve that the following special resolutions be and are hereby passed as written resolutions of the Company in accordance with Section 381A of the Companies Act 1985 (the "Act").

SPECIAL RESOLUTIONS

THAT:

1. each of the 18,474,446 issued ordinary shares of 1p each in the capital of the Company registered in the name of Brandplain Limited be re-designated as an A ordinary share of 1p each in the capital of the Company having the rights and being subject to the restrictions set out in the new Articles of Association of the Company to be adopted pursuant to resolution 3 below;
2. each of the 17,749,957 issued ordinary shares of 1p each in the capital of the Company registered in the name of IMAX Corporation be re-designated as a B Preference Share of 1p each in the capital of the Company having the rights and being subject to the restrictions set out in the new Articles of Association of the Company to be adopted pursuant to resolution 3 below;
3. the regulations contained in the document attached be adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of Association.


.....
Duly authorised for and on behalf of
BRANDPLAIN LIMITED



Company Number: 3280170

The Companies Acts 1985 to 1989
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

DIGITAL PROJECTION INTERNATIONAL LIMITED

(the "Company")

Adopted 31 January 2006

PRELIMINARY

1.

(A) The regulations in Table A in the Companies (Table A to F) Regulations 1985 do not apply to the Company.

(B) In these regulations -

"A Shares" means A ordinary shares of 0.1 pence each in the capital of the Company.

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof and statutory instrument relevant thereto or derived therefrom for the time being in force.

"address" includes, in relation to an electronic communication, any number or address used for the purpose of such communications.

"the articles" means the articles of the Company.

"board" means the board of directors.

"B Preference Shares" means B preference shares of 0.1 pence each in the capital of the Company.

"business day" a day (not being a Saturday or Sunday) when banks are open in the City of London for the transaction of general banking business.

"clear days" in relation to the period of notice means 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.

"communication" includes a communication comprising sounds or images or both and a communication effecting payment.

"dividend payment date" means 15 July and 15 January in each year;

"electronic communication" means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or *vice versa*):

- (a) by means of a telecommunications system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but while in an electronic form.

"executed" includes any mode of execution whether under seal or under hand.

"financial year" means an accounting period of the Company as determined in accordance with sections 223 to 225 inclusive of the Act.

"holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares.

"issue price" means in respect of a share the aggregate of (i) the amount paid up (or credited as paid up) in respect of that share and (ii) any share premium paid or credited as paid on that share.

"member" means any holder for the time being of shares.

"office" means the registered office of the Company.

"Ordinary Shares" means ordinary shares of 0.1 pence each in the capital of the Company.

"the seal" means the common seal of the Company.

"secretary" means any person appointed to perform the duties of the secretary of the Company including a joint assistant or deputy secretary.

"shares" means (unless the context does not so admit) shares in the capital of the Company (of whatsoever class).

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act (as in force when these regulations become binding on the Company).

Words denoting the singular include the plural and vice versa. Words denoting the masculine include the feminine and neuter. Words denoting persons include corporations.

A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the articles or the Act.

SHARE CAPITAL

2.

- 2.1 The Share capital of the Company at the date of adoption of these articles is £392,500 divided into:

18,474,446	A Shares
17,749,957	B Preference Shares
3,025,597	Ordinary Shares

- 2.2 The A Shares, the B Preference Shares and the Ordinary Shares shall each constitute different classes of shares for the purposes of the Act, but save as otherwise provided in these articles, shall rank *pari passu* in all respects.

3. Sections 89(1) and 90(1) – (6) (inclusive) of the Act shall not apply.
4. Subject to the provisions of the Act, all shares which are for the time being unissued and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of existing shares held by them unless the Company shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered and the subscription price and limiting a period (being not less than 14 days) within which the offer, if not accepted, shall be deemed to be declined. After the expiration of that period, those shares deemed to be declined shall be offered to the persons who have, within the said period, accepted all the shares offered to them in the proportion which their ordinary shareholdings bear to one another. This further offer shall be made in like terms and in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid and any shares released from the provisions of this article by any special resolution shall be under the control of the directors who, subject to the provisions of the Act, may allot, grant options over or otherwise dispose of same to such persons, on such terms, and in such manner as they think fit, provided that in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers of them than the terms upon which they were offered to the members. Shares which are issued to members holding A Shares shall be designated as A Shares and those which are issued to members holding B Preference Shares shall be designated as B Preference Shares.
5. The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to, or the terms of issue of, such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* with them.
6. Subject to the provisions of the Act, shares may be issued which are to be redeemed or 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.
7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as by the articles or by law otherwise provided) 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

8.
 - 8.1 Whenever the capital of the Company is divided into different classes of shares, the rights or privileges attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of 50.01% in nominal value of the issued shares of the class, or with the sanction of an ordinary resolution passed at a separate general meeting of such holders (but not otherwise).
 - 8.2 For the purposes of Article 8.1, all the provisions of these Articles relating to general meetings shall, *mutatis mutandis*, apply to every separate general meeting of the holders of each class of shares except that:
 - 8.2.1 unless there is only one holder of such class of shares, the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, those

shareholders who are present in person or by proxy, whatever their holdings; and

8.2.2 the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

8.3 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of such shares or in these Articles, be deemed to be altered by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

8.4 Notwithstanding any other provisions of these Articles, except with the consent or sanction of the holders of the B Preference Shares given in accordance with the provisions of Article 8.1, so long as any B Preference Shares remain in issue:

8.4.1 no further shares ranking as regards participation in the profits or assets of the Company in priority to or *pari passu* with the B Preference Shares shall be created or issued;

8.4.2 no resolution shall be passed whereby the rights attached to any class of share capital of the Company shall be varied or whereby its share capital or any uncalled liability on its share capital or the amount for the time being standing to the credit of its share premium account shall be reduced in any manner for which the consent of the court would be required.

8.4.3 no resolution shall be passed for the voluntary winding up of the Company or for the appointment of a liquidator or administrator.

SHARE CERTIFICATES

9. Every member upon becoming the holder of any shares shall be entitled without payment to one certificate for all the shares of each class held by him (and upon transferring a part of his holding of shares of any class, to a certificate for the balance of the 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 directors may determine. Every certificate shall be executed by the Company and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

10. 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 incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

11. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors 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 all moneys payable in respect of it.

12. The Company may sell in such manner as the directors determine 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 the person entitled to it in consequence of the death or bankruptcy of the holder demanding payment and stating that if the notice is not complied with the shares may be sold.
13. To give effect to a sale the directors 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 the proceedings in reference to the sale.
14. The net proceeds of the sale, after payment of the costs, shall be applied in 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 moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

15. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys 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 a sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
16. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
18. If a call remains unpaid after it has become due and payable the person from whom the sum is due shall pay interest on the unpaid sum from the day it became due until it is paid at the rate fixed by the terms of 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) but the directors may waive payment of the interest wholly or in part.
19. A sum 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 that sum had become due and payable by virtue of a call.
20. Subject to the terms of the allotment the directors 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.
21. If a call remains unpaid after it has become due and payable the directors may 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.

22. 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 a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
23. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, reallocation or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
24. 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 before the forfeiture or, if no interest was payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors 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.
25. 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 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 or disposal of the share.

SHARE RIGHTS

26.

26.1 Income

- 26.1.1 In respect of each financial year, the B Preference Shares shall confer upon each B Preference Shareholder the right to receive, in priority to any payment by way of dividend to the holders of any other shares, and accordingly the Company shall pay on each dividend payment date to the B Preference Shareholders, a fixed cumulative preferential dividend (the "Preference Dividend") on each B Preference Share at the rate of 9 per cent per annum (exclusive of any imputed tax credit available to the B Preference Shareholders) on the sum of (i) the issue price and (ii) all arrears and accruals of any B Preference Dividend not paid as required on any previous dividend payment date.
- 26.1.2 The Preference Dividend shall, subject to Article 26.2.1.1, accrue or be deemed to accrue on a daily basis and shall be paid in cash as follows:

- 26.1.2.1 the first payment shall be made on 15 July 2006 in respect of the period from 5 April 2006 down to (and including) 15 July 2006;
- 26.1.2.2 after that, each payment to be made on 15 July shall be in respect of the six month period down to (and including) 15 July. Each payment to be made on each subsequent dividend payment date shall be in respect of the six month period down to (and including) the dividend payment date;
- 26.1.2.3 no Preference Dividend shall accrue or be deemed to accrue in respect of any period prior to 5 April 2006.
- 26.1.3 The Preference Dividend shall, on the relevant dividend payment date and subject to Article 26.2.1.1, and without any resolution of the board or of the Company in general meeting, become a debt due from and immediately payable by the Company to the B Preference Shareholders pro rata according to the number of B Preference Shares held by each of them.
- 26.1.4 The B Preference Shares shall not save as provided in Article 26.1.2 confer any further right of participation in the profits of the Company.
- 26.2 Inability to pay dividends
 - 26.2.1 In the event that, whether by reason of any applicable principle of law or the provisions of any debt instrument to which the Company is a party, the Company is unable to pay in full, on any dividend payment date, the Preference Dividend due under Article 26.1.2 (the "relevant dividend"), the following provisions shall apply:-
 - 26.2.1.1 on that dividend payment date, the Company shall pay to the holders of the relevant class of shares (on account of the relevant dividend) the maximum sum (if any) which can then consistently with all applicable principles of law or the provisions of any applicable debt instrument properly be paid by the Company. That sum shall be divided among the holders of the relevant class of shares pro rata according to the number of shares (as the case may be) held by each of them;
 - 26.2.1.2 the Company shall pay the balance of the relevant dividend (whether in one or more instalments) as soon after that dividend payment date as may then be consistent with all applicable principles of law or the provisions of any applicable debt instrument and that payment shall be made in priority to any dividend which shall have accrued on any class of share in respect of a period subsequent to that dividend payment date; and
 - 26.2.1.3 each sum which shall become payable by the Company;

- (a) on any dividend payment date, in accordance with Article 26.2.1.1; or
- (b) on any date for payment of the balance of any relevant dividend determined in accordance with Article 26.2.1.2;

shall, on that date, and without any resolution of the board or of the Company in general meeting, become a debt due from and immediately payable by the Company to the relevant holders of shares pro rata according to the number of shares (as the case may be) held by each of them.

26.2.2 Each instalment of the Preference Dividend, whether payable:

26.2.2.1 in full on the dividend payment date for that instalment in accordance with Article 26.1 (as the case may be); or

26.2.2.2 on one or more dates falling on or after that dividend payment date in accordance with Article 26.2.1,

shall be paid to those persons whose names are on the register of members as the holders of B Preference Shares (as the case may be) at the date which is 15 days prior to the dividend payment date for that instalment.

26.2.3 The Company may pay any dividend or other monies payable in cash in respect of any shares by direct debit, bank or other funds transfer system or, with the written consent of the relevant holder of the relevant class of shares, by any other method.

26.2.4 If any dividend payment date falls on a day which is not a business day, payment of that instalment of the Preference Dividend, shall be deemed, for all purposes of these Articles, to fall due on the first business day after that.

CAPITAL

27.

27.1 In the event of a return of capital of the Company on a liquidation, dissolution or winding up, reduction of capital or otherwise occurring after [5 April 2006], the assets of the Company available for distribution to holders remaining after payment of all other debts and liabilities of the Company (and of the costs, charges and expenses of that winding up or other return of capital) shall be applied in the following manner and order of priority:

27.1.1 first, in paying to the B Preference Shareholders all unpaid arrears and accruals of any Preference Dividend for all periods;

27.1.2 secondly, in paying to the B Preference Shareholders the issue price of the B Preference Shares;

27.1.3 thirdly, in paying to the holders of the A Shares and the Ordinary Shares the issue price of thereof as if they constituted one class of

shares and as between them in proportion to the number of shares held by each of them; and

27.1.4 lastly, in distributing the balance amongst the holders of the Ordinary Shares and the A Shares as if they constituted one class of shares and as between them in proportion to the number of shares held by each of them.

27.2 *In the event of a return of capital of the Company occurring on a liquidation, dissolution or winding up, reduction of capital or otherwise occurring prior to [5 April 2006], the assets of the Company available for distribution to holders of shares after payment of all other debts and liabilities of the Company (and of the costs, charges and expenses of that winding up or other return of capital) shall be applied amongst the holders of the Ordinary Shares, the A Shares and the B Preference Shares as if they constituted one class of shares, and as between them in proportion to the number of shares held by each of them.*

27.3 For the purposes of Article 27:

27.3.1 any payment to the holders of shares of a particular class shall be made in proportion to the number of shares of the relevant class held by each of them;

27.3.2 any payment in respect of unpaid arrears and accruals of any Preference Dividend shall be calculated down to (and including) the date of payment and shall be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears and accruals have become due and payable in accordance with the provisions of Articles 26.1.1 to 26.1.3 inclusive.

VOTING

28. The voting rights attached to each class of share shall be as set out below:

28.1 on a show of hands, every Member holding one or more A Shares or Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporate) is present by a duly authorised representative or by proxy, shall have one vote; and

28.2 on a poll, every Member holding one or more A Shares or Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each A Share and one vote for each Ordinary Share of which he is the holder.

28.3 The B Preference Shares will entitle the holders thereof to receive notice of all general meetings but will not entitle the holders to attend or vote at any *general meeting or to sign any written resolution of the Company.*

TRANSFER OF SHARES

29. Save with the consent in writing of the holders of the A Shares for the time being, no member holding B Preference Shares shall be entitled to transfer any B Preference Shares. The A Shares and the Ordinary Shares shall be freely transferable.

30. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and 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 remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.
31. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien but, if they do so, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
32. The directors may also decline to recognise an instrument of transfer unless -
- 32.1 it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- 32.2 it is in respect of only one class of share; and
- 32.3 it is in favour of not more than four transferees.
- If the directors refuse to register a transfer of a share they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
33. 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 year) as the directors may determine.
34. 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.
35. The Company shall be entitled to retain any instrument of transfer which is registered but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

36. 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 persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
37. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share 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 executed by the member and the death or bankruptcy of the member had not occurred.
38. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the 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 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.

39. If any member (being a corporation) shall go into liquidation (compulsorily or voluntarily) or have an administrator appointed or have a receiver, administrative receiver or similar official appointed of the whole or any part of its assets, (or anything analogous occurs in any jurisdiction), its liquidator, administrator, receiver, administrative receiver or other similar official shall be bound forthwith to give to the Company a transfer notice in respect of all shares registered in the name of the member offering to sell such shares to the other members (a "Transfer Notice"). In default of a transfer notice being given within 30 days of it going into liquidation or having an administrator, receiver, administrative receiver or other similar official appointed, the liquidator, administrator, receiver, administrative receiver or other similar official shall be deemed to have given a transfer notice at the expiration of the said period of 30 days.
40. If a transfer notice or deemed transfer notice is given pursuant to article 39 the following provisions shall apply:-
- 40.1 A transfer notice shall constitute the Company the agent of a proposed transferor, empowered to sell the shares referred to in the notice (together with all rights then attached to them) at the prescribed price (determined as provided below) to any member in the manner appearing below, and shall not be revocable except with the unanimous agreement of the directors.
- 40.2 If, not more than 14 days after the date of which a transfer notice shall have been given (or deemed to have been given), the proposed transferor and the directors shall have agreed in writing a price per share as representing the fair value of the shares, or as being acceptable to the proposed transferor then that price shall be the prescribed price. In the absence of any agreement having been reached within that period of 14 days the directors shall forthwith request the auditors for the time being of the Company, or if they decline to act, such independent firm of accountants as may be agreed by the directors (hereafter referred to as the "auditors"), to determine and certify in writing to the Company the sum per share considered by them to be the fair value as at the date on which the transfer notice was given (or deemed to have been given) and the sum per share so determined and certified shall be the prescribed price. In so certifying the auditors are irrevocably instructed to value the shares concerned on the basis that all restrictions on transferring the shares and all other rights attaching to the shares contained in these articles are taken into account. The auditors shall act under this article at the cost and expense of the proposed transferor, as experts and not as arbitrators, and their determination shall be final and binding for all purposes (save in respect of manifest error).
- 40.3 Within 7 days of the prescribed price being so agreed or determined and fixed all shares included in the transfer notice shall be offered for purchase at the prescribed price by notice in writing given by the Company to all members holding shares of whatever class in the Company (other than the member to whose shares the transfer notice relates). The offer shall be on the basis that in the case of competition for them the shares so offered shall (in accordance with, but subject to, the next following article) be sold to acceptors holding shares of the same class as the shares being offered, in proportion (as nearly as may without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of shares of the same class and in the event of members holding shares of the same class not taking all the shares so offered, then the shares so offered but not so sold shall be sold to the members holding shares of any other class and in

the case of competition on a similar basis mutatis mutandis as aforesaid. Any such offer shall specify a period (being not less than 21 days and not more than 42 days) within which it must be accepted or will lapse.

- 40.4 If members ("purchasers") shall within the said period of the offer agree to purchase the shares concerned or any of them the Company shall forthwith give notice in writing as mentioned below to the proposed transferor and to the purchasers, and upon payment of the prescribed price the proposed transferor shall be bound to transfer the shares to the respective purchasers accordingly with full title guarantee. Every such notice shall state the name and address of each purchaser and the number and class of shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the directors, not being less than 7 days nor more than 30 days after the date of the notice.
- 40.5 If the proposed transferor shall fail or refuse to transfer any shares to a purchaser under this article the directors may authorise some person to execute the necessary transfer and may deliver it on his behalf and the Company may receive the purchase money in trust for the proposed transferor (which it shall pay into a separate bank account in the Company's name) and cause the purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see the application of it) and after the purchaser has been registered in purported exercise of these powers the validity of the proceedings shall not be questioned by any person.
- 40.6 If at the expiry of the period for acceptance of the offer referred to in article 41.3 above, members of the Company shall not have agreed to purchase all the shares so offered, the Company shall forthwith give notice in writing of that fact to the proposed transferor and (subject to the previous sanction of the Board, such sanction not to be unreasonably withheld) he shall then be at liberty at any time thereafter up to the expiration of 3 months after the giving of that notice to transfer those shares which members shall not have so agreed to purchase to any person on a bona fide sale at any price not being less than the prescribed price PROVIDED that the directors may require to be satisfied that the shares are being transferred in pursuance of a bona fide sale for the consideration stated in the instrument of transfer without any deduction, rebate or allowance whatsoever being given to the purchaser and if not so satisfied may refuse to register the instrument of transfer.

ALTERATION OF CAPITAL

41. The Company may by ordinary resolution -
- 41.1 increase the share capital by new shares of such amount as the resolution prescribes;
- 41.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 41.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- 41.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

42. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including subject to the provisions of the Act the Company) and distribute the proceeds of sale in due proportion among those members, and the directors 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.
43. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve, and any share premium account in any way.

PURCHASE OF OWN SHARES

44. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares out of (or otherwise than out of) distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

45. All general meetings other than annual general meetings shall be called extraordinary general meetings.
46. The directors may call general meetings and on the requisition of members pursuant to the provisions of the Act shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight 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

47. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice, and 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:-
- 47.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- 47.2 in the case of a general meeting for the passing of a special resolution by a majority in number of the members having a right to attend and vote at the meeting being a majority holding:-
- 47.2.1 such percentage (being not less than ninety per cent) in nominal value of the shares giving that right as may be specified in or for the time being determined by the Company for the purposes of any elective resolution of the Company for the time being in force passed in accordance with the Act for the purposes of either or both of sections 369(4) and 378(3) of the Act; or
- 47.2.2 if no election as is referred to in the immediately preceding sub-regulation subsists, not less than ninety-five per cent in nominal value of the shares giving that right; and

47.3 in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting being a majority holding:-

47.3.1 such percentage (being not less than ninety per cent) in nominal value of the shares giving that right as may be specified in or for the time being determined by the Company for the purposes of any elective resolution of the Company for the time being in force passed in accordance with the Act for the purposes of section 369(4) of the Act; or

47.3.2 if no election as is referred to in the immediately preceding sub-regulation subsists, not less than ninety-five per cent in nominal value of the shares giving that right.

The notice shall specify the 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.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy or liquidation (or analogous procedure) of a member and to the directors and auditors.

48. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

49. No business shall be transacted at any meeting unless a quorum is present.

(A) Subject to the provisions of regulation 41(B) two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

(B) If the Company only has one member, then such member present in person or by proxy or, if a corporate member, by its duly authorised representative shall be a quorum.

50. If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, one person entitled to be counted in a quorum present at the meeting shall be a quorum.

51. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and if there is only one director present and willing to act, he shall be chairman.

52. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

53. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
54. 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 from place to place, but 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 notice of an adjournment.
55. A resolution put to the vote of a 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 Act, a poll may be demanded:-
- 55.1 by the chairman; or
- 55.2 by at least two members having the right to vote at the meeting; or
- 55.3 by a member representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- 55.4 by a member 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.
56. 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.
57. The demand for a poll may, before the poll is taken, be withdrawn 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
58. A poll shall be taken as the chairman directs 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 at which the poll was demanded.
59. 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.
60. 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 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.

61. 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. 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.
62. A resolution in writing signed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of one or more documents in like form each signed by or on behalf of one or more members. In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative. If the resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly.

VOTES OF MEMBERS

63. 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 or proxy, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every £1 in nominal value of the shares of which he is the holder.
64. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
65. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder 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 and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors 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.
66. Unless the directors otherwise determine, no member shall vote at any general meeting, 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.
67. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
68. On a poll votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.
69. The appointment of a proxy shall be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof.

70. The appointment of 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 directors may:

70.1 in the case of an instrument in writing, 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

70.2 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

70.2.1 in the notice convening the meeting; or

70.2.2 in any instrument of proxy sent out by the Company in relation to the meeting; or

70.2.3 in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;

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

70.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received 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

70.4 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 appointment of proxy which is not deposited, delivered or received in a manner so permitted will be invalid.

71. 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 of the determination was received by the Company at the office, or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

72. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company but so that without prejudice to the generality of the foregoing or of section 375 of the Act any director or the secretary of any member of the Company which is a corporation shall be deemed to be a duly authorised representative of that member. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of the articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

NUMBER OF DIRECTORS

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

ALTERNATE DIRECTORS

74. Any director (other than an alternate director) may by writing under his hand and deposited at the office or delivered at a meeting of the directors appoint any other director, or any other person approved by resolution of the directors and willing to act to be an alternate director and may in like manner remove from office an alternate director so appointed by him.
75. An alternate director shall be entitled to receive notice of all meetings of directors 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, save as otherwise provided in the articles, generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
76. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed 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.
77. *Any appointment or removal of an alternate director shall be by notice signed by the director making or revoking the appointment or in any other manner approved by the directors.*
78. 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.

POWERS OF DIRECTORS

79. Subject to the provisions of the Act the memorandum of association of the Company and the articles and to any elective resolution for the time being in force made in accordance with section 379A of the Act and to any directions given by special resolution, *the business of the Company shall be managed by the directors who may exercise all the powers of the Company.* No alteration of the memorandum of association or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made and that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

DELEGATION OF DIRECTORS' POWERS

80. The directors may delegate any of their powers:-
- 80.1 to any managing director or any director holding any other executive office;
and/or

80.2 to any committee consisting of one or more directors.

The delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

81. The directors 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.

APPOINTMENT AND RETIREMENT OF DIRECTORS

82. The Company may by ordinary resolution appoint any person to be a director either to fill a vacancy or as an additional director. Without prejudice thereto the directors may appoint a person 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 the maximum number of directors. A director so appointed by the directors in any year in respect of which there is no valid and subsisting election (by elective resolution in accordance with section 379A of the Act) for the purposes of section 366A of the Act shall hold office only until the next following annual general meeting and, if not then reappointed, shall vacate office.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

83. The office of a director shall be vacated if:-

83.1 he ceases to be a director by virtue of any provision of the Act or the articles or he becomes prohibited by law from being a director; or

83.2 he becomes bankrupt, has a receiving order made against him or makes any arrangement or composition with his creditors generally; or

83.3 he is, or may be suffering from mental disorder and either -

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

83.3.2 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

83.4 he resigns his office by notice to the Company; or

83.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

84. The directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

85. 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.

DIRECTORS' APPOINTMENTS AND INTERESTS

86. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases for any reason whatsoever to be a director but without prejudice to any claim to damages for breach of any contract of service between the director and the Company.

87. Subject to the provisions of the Act, a director may notwithstanding his office:-

87.1 be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and

87.2 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 interested.

88. Provided that, where it is necessary, he declares the nature of his interest at a meeting of directors as required by the Act, a director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which the articles allow him to be appointed or from any transaction or arrangement or from any interest in any body corporate in which the articles allow him to be interested and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

89. For the purposes of the immediately preceding regulation -

89.1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any 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

89.2 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.

DIRECTORS' GRATUITIES AND PENSIONS

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

PROCEEDINGS OF DIRECTORS

91. (A) Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Notice of any meeting of the directors (or any committee of the directors) may be given by telephone facsimile transmission or by telex. It shall not be necessary to give notice of a meeting to any director (or as the case may be any member of any such committee) who is absent from the United Kingdom unless such director or member has provided the Company with an address telephone number or telex number to which notice is to be given. Any director may waive notice of any meeting other than one to be held by telephone or similar communicating equipment and any such waiver may be retroactive. 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. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- (B) The contemporaneous linking together by telephone or similar communicating equipment of the secretary and directors or members of a committee of the directors being in number not less than the quorum required for the transaction of the business of the directors or such committee, whether in the United Kingdom or elsewhere in the world, shall be deemed to constitute a meeting of the directors (or as the case may be a meeting of such committee), so long as the following conditions are met:-
- 91.1 all the directors or members of the committee of the directors for the time being entitled to receive notice of any meeting of the directors or of such committee (including any alternate director) shall have received notice of any such meeting and be entitled to be linked by telephone for the purpose of such meeting;
- 91.2 subject as provided in sub-regulation 83.4, each of the directors or members of such committee taking part and the secretary must be able to hear each of such other persons taking part throughout the meeting;
- 91.3 at the commencement of the meeting each participant must acknowledge his presence to all the other persons taking part in such meeting;
- 91.4 unless he has previously obtained the consent of the chairman of the meeting a person may not leave the meeting by disconnecting his telephone and shall conclusively be presumed to have been present and to have formed part of the quorum throughout the meeting. The meeting shall be deemed to have been validly conducted notwithstanding that a participant's telephone is accidentally disconnected during the meeting, and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected;

- 91.5 a minute of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed by the chairman of such meeting.
92. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be one until the first occasion when the Company has more than one director holding office as such and thereafter shall be two. A director or a member of a committee of the directors shall be treated as present at a meeting of the directors or any such committee notwithstanding that he is not physically present if he is in communication with the meeting by telephone or *similar communicating equipment*. A director or member of a committee of the directors who is in communication as aforesaid shall be counted as part of the quorum for such meeting. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
93. 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, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
94. The directors 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. The director so appointed shall preside at every meeting of directors at which he is present but if there is no director holding that office, or if the director holding it 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.
95. All acts done by a meeting of directors, 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.
96. 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.
97. Subject to the provisions of these articles and provided a director shall have disclosed such interest in accordance with article 88, a director shall be entitled to vote in respect of any transaction, contract, arrangement or agreement with the Company in which he is in any way, whether directly or indirectly, interested and if he shall do so *his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present*.

SECRETARY

98. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

99. The directors shall cause minutes to be made in books kept for the purpose:-
- 99.1 of all appointments of officers made by the directors;
- 99.2 of 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 of directors including the names of the directors present at each such meeting.

THE SEAL

- 100.
- (A) No instrument shall be executed by the Company otherwise than by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and except as otherwise so determined it shall be signed by a director and by the secretary or by a second director.
- (B) Any instrument signed by a director and by the secretary or by a second director and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the seal.

DIVIDENDS

101. Subject to the provisions of the Act 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 directors.
102. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors 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 arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them 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.
103. 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. Subject as aforesaid, 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.
104. The directors may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share.
105. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors 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.

106. Any dividend or other moneys payable in respect of a share may be paid by cheque 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 that one of those persons who is first named in the register of members 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. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
107. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
108. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

109. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

CAPITALISATION OF PROFITS

110. The directors may with the authority of an ordinary resolution of the Company:-
- 110.1 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;
- 110.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions 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 issued to members credited as fully paid;
- 110.3 resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall rank for dividend only to the extent that the latter shares rank for dividend;
- 110.4 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

- 110.5 *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.*

NOTICES

111. Any notice to be given to or by any person pursuant to the articles shall be in writing or shall be given using electronic communication to an address for the time being notified for that purpose to the person giving the notice, except that a notice calling a meeting of the directors need not be in writing.
112. The Company may give any notice to a member either personally, by sending it by post in a prepaid envelope addressed to the member at his registered address, by leaving it at that address or by sending it by electronic communication to the address for the time being notified to the Company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address at which notices may be given to him, or an address to which notices may be sent using electronic communication, 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.
113. 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.
114. 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 given to the person from whom he derives his title.
115. Proof that the envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent to the relevant address in accordance with guidance issued from time to time by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.
116. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom 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 has not occurred.

WINDING UP

117. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out

as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

118. Subject to the provisions of the Act but without prejudice to any indemnity to which the director or other officer or auditor 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 all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or 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 relates to anything done or omitted by him as an officer or employee of the Company and, in which judgment 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.