

07 - 05 - 97

Company number: 3339998

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

- of -

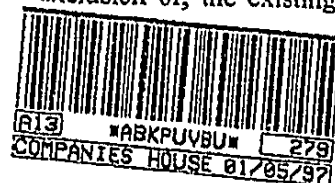
**NEWMARK TECHNOLOGY  
GROUP PLC**

Passed the 29 April 1997

AT an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held at the offices of Olswang, 90 Long Acre, London WC2E 9TT on the above date the following resolutions were duly passed as special resolutions of the Company:

**SPECIAL RESOLUTIONS**

1. THAT, subject to and conditional upon the admission of the entire issued share capital of the Company to trading on the Alternative Investment Market ("AIM") of the London Stock Exchange Limited by no later than 30 May 1997 or such later date as the directors of the Company may decide:
  - (a) pursuant to the provisions of the Companies Act 1985 (the "Act");
    - (i) the draft new articles of association of the Company in the form produced to the meeting and initialled by the Chairman for the purposes of identification be adopted as the articles of association of the Company in substitution, for and to the exclusion of, the existing articles of association;



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- (ii) each one ordinary share of £1 in the capital of the Company be and it is hereby sub-divided into 20 ordinary shares of 5p each having the rights attached to ordinary shares of 5p each ("Ordinary Shares") set out in the new articles of association of the Company to be adopted pursuant to the passing of the resolution referred to in sub-paragraph 1(a)(i) of this Resolution,
  - (b) the authorised share capital of the Company be and it is hereby increased by £4,950,000 from £50,000 to £5,000,000 by the creation of 99,000,000 new Ordinary Shares of 5p each ranking *pari passu* with the existing Ordinary Shares and having the rights and obligations set out in the new articles of association of the Company to be adopted pursuant to the passing of the resolution referred to in sub-paragraph 1(a)(i) of this Resolution;
  - (c) the directors be, and they are hereby, generally and unconditionally authorised in accordance with section 80 of the Act to exercise all powers of the Company to allot relevant securities of the Company (within the meaning of section 80 of the Act) on, and subject to, such terms as the directors may determine up to an aggregate nominal amount of £2,415,000 to such persons, at such times and upon such terms and conditions as they may determine (subject to the new articles of association of the Company to be adopted pursuant to the passing of the resolution referred to in sub-paragraph 1(a)(i) of this Resolution) provided that this authority shall expire (unless previously renewed, revoked or varied by the Company in general meeting) on the earlier of the expiry of the next annual general meeting of the Company and 28 April 2002;
  - (d) the directors be, and they are hereby, empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 (2) of the Act) for cash pursuant to the authority conferred upon them by the resolution contained in sub-paragraph 1(c) of this Resolution, as if section 89(1) of the Act did not apply to any such allotment of equity securities and shall expire (unless previously renewed, revoked or varied by the Company in general meeting) at the expiry of the next annual general meeting of the Company or on 28 April 2002, whichever is the earlier;
  - (e) the authorities and powers contained in sub-paragraphs 1(c) and 1(d) above shall allow the Company to make any offer or agreement before the expiry of the relevant authority and power which will, or may, require securities, the subject of the authority and power, to be allotted after the same has expired or been revoked and the directors may allot such relevant securities pursuant to any such offer or agreement as if the relevant authority and power hereby conferred had not expired or been revoked; and
  - (f) the authorities and powers previously conferred to allot securities be and they are hereby revoked, but without prejudice to the allotment of securities already made pursuant to such authorities and powers.
2. THAT in accordance with section 320 of the Companies Act 1985, the terms of the proposed share exchange agreement between Arbury Inc. and others (1) and the Company

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- (2) for the purchase by the Company of the entire ordinary issued share capital of SuperTech International Limited, a transaction in which certain of the directors have an interest by reason of their interests in SuperTech International Limited, be and it is hereby approved and that the allotment and issue of 33,999,960 Ordinary Shares in the Company to the shareholders of STi in consideration for such acquisition be and it is hereby approved.
3. THAT the Newmark Technology Group PLC Approved 1997 Share Option Scheme to be constituted by the rules of which a draft has been produced to the meeting and initialled for the purposes of identification by the Chairman be and it is hereby approved and the directors be and they are hereby authorised to make such modifications, if any, as may be necessary to obtain the approval of the Board of the Inland Revenue thereto within the terms of the Income and Corporation Taxes Act 1988 (as amended from time to time) and take any other action necessary or desirable for the implementation of the same.
4. THAT the Newmark Technology Group PLC Unapproved 1997 Share Option Scheme to be constituted by the rules of which a draft has been produced to the meeting and initialled for the purposes of identification by the Chairman be and it is hereby approved and the directors be and they are hereby authorised to take any other action necessary or desirable for the implementation of the same.

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Company No. 3339998

THE COMPANIES ACTS 1985 AND 1989

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

NEWMARK TECHNOLOGY GROUP PLC

adopted by special resolution  
passed on 29 April 1997

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**OLSWANG**

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Ref: CXT/AJB/5913-1

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1. PRELIMINARY

1.1 In these Articles of Association, the following words and expressions have the following meanings if not inconsistent with the subject or context:

"Act" the Companies Act 1985 and where the context requires, every other statute from time to time in force concerning companies and affecting the Company (including, without limitation, the Regulations);

"Articles" these Articles of Association as from time to time amended;

"Auditors" the auditors or joint auditors for the time being and from time to time of the Company;

"Board" the board of Directors for the time being and from time to time of the Company or the Directors present or deemed to be present at a duly

	convened meeting of Directors at which a quorum is present;
"Business Day"	any day upon which banks in the City of London are normally open for business;
"Clear days"	in relation to the period of 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;
"Directors"	the directors for the time being and from time to time of the Company;
"Dividend"	includes bonus;
"executed"	includes any mode of execution;
"holder"	in relation to shares means a member whose name is entered in the register of members as the holder of those shares or, where the context permits, members whose names are entered in a register of members as joint holders;
"in writing" and "written"	written, printed, or lithographed, or visibly expressed by any substitute for writing, including telex, cable, facsimile transmission, electronic mail and teletext or any other mode(s) of representing or reproducing words in a legible and non-transitory form or partly by one of such means and partly by another or others;
"Member"	any holder for the time being of shares in the capital of the Company of whatever class;
"month"	calendar month;
"Office"	the registered office for the time being and from time to time of the Company;
"Ordinary Shares"	means ordinary shares of the Company;
"paid up"	in relation to a share, paid up or credited as paid up;

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"Register"	the register of Members of the Company to be kept pursuant to section 352 of the Act;
"Regulations"	means the Uncertificated Securities Regulations 1995 (SI 1995 No 3272) including any modifications thereof and rules made thereunder or any regulations in substitution therefor made under section 207 of the Companies Act 1989 for the time being in force;
"Seal"	the common seal of the Company;
"Securities Seal"	an official seal kept by the Company by virtue of section 40 of the Act;
"Secretary"	subject to the provisions of the Act, includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the Secretary including subject to the Act any joint, temporary, assistant or deputy secretary;
"the Stock Exchange"	the London Stock Exchange Limited or any other principal stock exchange in the United Kingdom for the time being; and
"United Kingdom"	Great Britain and Northern Ireland.

- 1.2 Words importing the singular number shall include the plural and vice versa.
- 1.3 Words importing the masculine gender shall include the feminine, and persons shall include corporations with the necessary adaptation.
- 1.4 Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meanings in these Articles.
- 1.5 The headings are inserted for convenience and shall not affect the construction of these Articles.
- 1.6 Any reference to any statute or statutory provision shall be construed as a reference to such statute or statutory provision as amended, modified, consolidated or re-enacted from time to time.

## 2. TABLE "A"

The regulations contained in the Companies (Tables A-F) Regulations 1985 shall not apply to the Company.



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### 3. SHARE CAPITAL AND VARIATION OF RIGHTS

- 3.1 The share capital of the Company at the date of the adoption of these Articles is £50,000 divided into 50,000 Ordinary Shares of 100 pence each.
- 3.2 Subject to the provisions of the Act and without prejudice to any rights for the time being conferred on the holders of any shares or class of shares, any share in the Company may be allotted with or have attached to it such preferred, deferred or other rights, or such restrictions, whether in regard to Dividend, return of capital, voting, transfer or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such determination be made, as the Board shall determine.
- 3.3 Subject to the provisions of the Act and to the authority of the Company in general meeting required by the Act, the Board shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company at the date of adoption of these Articles and any shares hereafter created to such persons, at such times and generally on such terms and conditions as they may determine provided that no shares shall be issued at a discount.
- 3.4 Subject to the Act and to any special rights for the time being attached to any existing shares, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders on such terms as these Articles may provide.
- 3.5 Subject to the provisions of the Act and to the authority of the Company in general meeting required by the Act, the Company shall have power to purchase its own shares, including any redeemable shares. Any shares so purchased may be selected in any manner whatsoever.
- 3.6 If by the conditions of allotment of any share the whole or part of its issue price shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.
- 3.7 In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Act of paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do, whether absolutely or conditionally. Subject to the provisions of the Act and to the rules of the Stock Exchange, any such commissions may be satisfied by the payment of cash or, with the sanction of an ordinary resolution, by the allotment of fully or partly paid shares of the Company or by any combination thereof. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 3.8 Except as required by law or under an order of a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust, and except only as otherwise provided by these Articles or as required by law or under an

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order of a court of competent jurisdiction, the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share, or any interest in any fraction or part of a share, or any other right in respect of any share, except an absolute right to the entirety of it in the registered holder.

- 3.9 Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class may be varied or abrogated either in such manner (if any) as may be provided by such rights, or in the absence of any such provision, with the consent in writing of the holders of at least three-fourths of the 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, but not otherwise.
- 3.10 To every such separate meeting referred to in Article 3.9, all the provisions of these Articles relating to general meetings of the Company, or to the proceedings at them, and the provisions of sections 369 and 370 of the Act shall apply with any necessary modifications, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two or more persons present holding or representing by proxy at least one third in nominal value of the paid up issued shares of the class in question. The quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy. Any holder of shares of the class in question present in person or by proxy may demand a poll.
- 3.11 The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not, unless otherwise expressly provided by these Articles or the rights attached to such shares as a class, be deemed to be a variation of the rights of such shares.
- 3.12 The Company may, with respect to any fully paid shares, issue a warrant (a "share warrant") stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant.
- 3.13 The powers referred to in Article 3.12 may be exercised by the Board, who may determine and vary the conditions on which share warrants shall be issued, and in particular on which:
- 3.13.1 a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board are satisfied beyond reasonable doubt that the original has been destroyed);
  - 3.13.2 the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
  - 3.13.3 dividends will be paid; and

- 3.13.4 a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such share warrant.

#### 4. CERTIFICATES

- 4.1 Every person, other than a person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate by virtue of section 185(4) of the Act, whose name is entered as a Member in the Register shall be entitled without payment to one certificate for all the shares of each class for the time being held by him, or upon payment of such reasonable out-of-pocket expenses as the Board may from time to time determine for every certificate after the first, to several certificates, each for one or more of his shares.
- 4.2 Every certificate shall:
- 4.2.1 be issued within five Business Days after allotment or the lodgement with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide or save as exempted by virtue of section 185 of the Act. In the case of an allotment of shares subject to a right of renunciation, one or more certificates for such shares shall be issued within one month of the latest date for such renunciation;
  - 4.2.2 be under the Securities Seal kept by the Company or otherwise in accordance with the Act; and
  - 4.2.3 specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up on them.
- 4.3 The Company shall not be bound to register more than four persons as the joint holders of any share or shares, except in the case of executors or trustees of a deceased Member. In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate for it. Delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- 4.4 Where a Member transfers part of his holding of shares, he shall be entitled to a certificate for the balance of his holding without charge.
- 4.5 Share certificates and certificates for debentures and, subject to the provisions of any instrument constituting or securing them, certificates issued under the Securities Seal

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need not be signed or counter-signed, or the signatures may be affixed to them by such mechanical means as may be determined by the Board.

- 4.6 If a share certificate is lost, destroyed, defaced or worn out, it will be renewed and, in case of loss or destruction, on such terms (if any) as to evidence and indemnity as the Board thinks fit, and, in case of defacement or wearing out, on delivery up of the old certificate.
- 4.7 Every certificate issued under Article 4.6 shall be issued without payment but there shall be paid to the Company a sum equal to any exceptional out of pocket expenses incurred by the Company of any such indemnity and security as is referred to in that Article.
- 4.8 Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge on surrender of the original certificates for cancellation. If any Member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request. Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses, including those incurred by the Company in investigating such evidence and preparing such indemnity and security, as the Board may decide, and on surrender of the original certificate (where it is defaced, damaged or worn out), but without any further charge. In the case of shares held jointly by several persons, any such request as is mentioned in this Article 4.8 may be made by any one of the joint holders.
- 4.9 Notwithstanding anything in these Articles to the contrary, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form and converted from uncertificated form to certificated form in accordance with the Regulations and practices instituted by the operator of the relevant system. Any provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:
- 4.9.1 the holding of shares in uncertificated form;
  - 4.9.2 the transfer of title to shares by means of a relevant system; or
  - 4.9.3 any provision of the Regulations.
- 4.10 Without prejudice to the generality and effectiveness of the foregoing:
- 4.10.1 Article 8 shall apply in relation to such shares as if the reference therein to the date on which the transfer was lodged with the Company were a reference to the date on which the appropriate instruction was received by or on behalf of the

Company in accordance with the facilities and requirements of the relevant system;

- 4.10.2 without prejudice to Article 8 in relation to uncertificated shares, the Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Regulations and the relevant system;
- 4.10.3 references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board may make from time to time pursuant to Article 4.10.11 below;
- 4.10.4 for the purpose referred to in Article 9, a person entitled by transmission to a share in uncertificated form who elects to have some other person registered shall either:
  - 4.10.4.1 procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
  - 4.10.4.2 change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person;
- 4.10.5 the Company shall enter on the Register the number of shares which are held by each Member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Regulations and the relevant system and, unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;
- 4.10.6 a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which applies only in respect of certificated shares or uncertificated shares;
- 4.10.7 references in Article 42 to instruments of transfer shall include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system relating to the transfer of such shares;
- 4.10.8 for the purposes referred to in Article 13.3 and 13.4, the Board may in respect of uncertificated shares authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system;

- 4.10.9 for the purposes of Article 34.10, any payment in the case of uncertificated shares may be made by means of the relevant system (subject always to the facilities and requirements of the relevant system) and without prejudice to the generality of the foregoing such payment may be made by the sending by the Company or any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the person entitled to such payment and the making of a payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the Company;
- 4.10.10 subject to the Act the Board may issue shares as certificated shares or as uncertificated shares in its absolute discretion;
- 4.10.11 the Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 4 and the Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 4;
- 4.10.12 the Board may utilise the relevant system to the fullest extent available from time to time in the exercise of the Company's powers or functions under the Act or these Articles or otherwise in effecting any actions; and
- 4.10.13 the Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.
- 4.11 Where any class of shares in the capital of the Company is a participating security and the Company is entitled under any provisions of the Act or the rules made and practices instituted by the operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right to:
- 4.11.1 request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
- 4.11.2 require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such shares or direct the holder

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to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or

- 4.11.3 appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or
- 4.11.4 transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register in respect of that share as a transferred share; and/or
- 4.11.5 otherwise rectify or change the Register in respect of that share in such manner as may be appropriate; and
- 4.11.6 take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him.

4.12 For the purposes of this Article 4:

- 4.12.1 words and expressions shall have the same respective meanings as in the Regulations;
- 4.12.2 references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a certificated share or to a share being in certificated form are references to that share being a unit of a security which is not an uncertificated unit; and
- 4.12.3 "cash memorandum account" means an account so designated by the operator of the relevant system.

5. LIEN

- 5.1 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, called or payable, at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all Dividends or other monies payable on it or in respect of it. The Board may resolve that any share shall be exempt wholly or partially from the provisions of this Article for some specified period.
- 5.2 For the purpose of enforcing such lien, the Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, but no sale shall be made unless some monies in respect of which the lien exists are presently payable and 14 days

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have expired after a notice in writing, stating and demanding payment of the monies presently payable and giving notice of intention to sell in default, has been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares.

- 5.3 The net proceeds of any such sale shall be applied in or towards payment or satisfaction of the amount in respect of which the lien exists as is presently payable and any residue shall on surrender to the Company for cancellation of the certificates for the shares sold, subject to a like lien in respect of sums not presently payable as existed upon the shares prior to the sale, be paid to the person entitled to the shares immediately prior to the sale without interest.
- 5.4 For giving effect to any such sale, the Board may authorise some person to transfer the shares sold to their purchaser.
- 5.5 The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## 6. CALLS ON SHARES

- 6.1 The Board may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the Members in respect of any monies unpaid on their shares, whether on account of the nominal value of the shares or by way of premium. Each Member shall, subject to being given at least 14 clear days' notice specifying the time or times and place of payment and whether or not by instalments, pay to the Company at the time or times and place so specified the amount called on his shares.
- 6.2 A call may be payable by instalments and may be postponed or wholly revoked or in part revoked, as the Board may determine.
- 6.3 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 6.4 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it and any one of such persons may give effective receipts for any return of capital payable in respect of such shares.
- 6.5 If by the terms of any prospectus or listing particulars or any other document relating to an issue of shares in the Company or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a call duly made by the Board of which due notice had been given.



- 6.6 If a sum called in respect of a share is not paid before or on the day appointed for its payment, the person from whom the sum is due shall pay all expenses that may have been incurred by the Company by reason of non-payment of the call and interest on the sum at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate (as defined by section 107 of the Act) from the day appointed for its payment to the time of actual payment. The Board shall be at liberty to waive payment of such interest wholly or in part.
- 6.7 Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue, it becomes payable. In case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 6.8 The Board may make arrangements on the issue of shares for a difference between the allottees or holders in the amount of calls to be paid and in the times of payment.
- 6.9 The Board may, if it thinks fit, receive from any Member willing to advance the Company all or any part of the money unpaid upon the shares held by him beyond the sums actually called up on them as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as they shall extend, the liability upon the shares in respect of which it is advanced. The Company may pay interest upon the money so received, or so much of it as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the Member paying such sum and the Board agree. Any such payment in advance shall not entitle the holder of the shares in question to participate in any Dividend in respect of the amount advanced.
- 6.10 Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of holders of any class of shares either in person or (save as proxy for another member) by proxy, or be received in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) to the Company.

## 7. FORFEITURE OF SHARES

- 7.1 If a Member fails to pay any call or instalment of a call before or on the date appointed for its payment, the Board may at any time after that date, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have

accrued thereon and all expenses incurred by the Company by reason of such non-payment.

- 7.2 The notice shall name a further date, not earlier than 14 days from the date of its service, on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the date and at the place appointed the shares on which the call was made will be liable to be forfeited.
- 7.3 If the requirements of any such notice are not complied with, any share in respect of which such notice has been given, may at any time after its date, before payment of all calls and interest due in respect of it has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all Dividends which shall have been declared or other moneys payable on the forfeited shares and not actually paid before the forfeiture.
- 7.4 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or entitled to such share by transmission (as the case may be), but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice. Subject to the provisions of the Act, any share so forfeited shall be deemed to be the property of the Company, no voting rights shall be exercised in respect of it and the Board may within three years of such forfeiture sell, re-allot, or otherwise dispose of it in such manner as it thinks fit either to the person who was before the forfeiture its holder, or to any other person, and either with or without any past or accruing Dividends, and in the case of re-allotment, with or without any money paid on it by the former holder being credited as paid up on it. Any share not so disposed of within a period of three years from the date of its forfeiture shall be cancelled in accordance with the provisions of the Act.
- 7.5 The Board may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as it thinks fit.
- 7.6 A person whose shares have been forfeited ceases to be a Member in respect of the forfeited shares, but notwithstanding the forfeiture remains liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares and interest on them in accordance with Article 6.6, and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 7.7 A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on its sale, re-allotment or disposal, together with the certificate for the share delivered to a purchaser or allottee of it, shall, subject to the execution of a transfer if so required, constitute a good title to the share. The person to whom the share

is sold, re-allotted or disposed or 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 or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

7.8 The Board may accept the surrender of any share liable to be forfeited under these Articles and in any such case any reference in these Articles to forfeiture shall include surrender.

7.9 The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

## 8. TRANSFER OF SHARES

8.1 All transfers of shares shall be effected in the manner authorised by the Stock Transfer Act 1963.

8.2 The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid share, 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 of Members in respect of it.

8.3 The Board may not refuse to register any transfer of shares (or renunciation of a renounceable letter of allotment) if:

8.3.1 it is in respect of a fully paid share;

8.3.2 it is in respect of a share on which the Company does not have a lien;

8.3.3 it is duly stamped, is deposited at the Office or such other place as the Board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

8.3.4 it is in respect of only one class of share;

8.3.5 it is in favour of not more than four transferees except in the case of executors or trustees of a deceased Member; and

8.3.6 it is in respect of a share on which the Company has a lien and in respect of which the Company has not served a notice pursuant to Article 5.2 above,

provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the London Stock Exchange on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

- 8.4 In exceptional circumstances approved by the Stock Exchange, the Board may refuse to register any transfer of shares to which Article 8.3 would otherwise apply, provided that refusal does not disturb the market.
- 8.5 If the Board refuse to register a transfer of any shares, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- 8.6 The registration of transfers of any class of shares may be suspended at such times and for such periods, not exceeding 30 days in any year, as the Board may from time to time determine.
- 8.7 The Company shall not be entitled to charge any fee in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other document relating to or affecting the title to any shares.
- 8.8 All instruments of transfer which are registered shall, subject to Article 42.1, be retained by the Company, but any instrument of transfer which the Board refuse to register shall, except in any case of fraud, be returned to the person depositing it.
- 8.9 Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

## 9. TRANSMISSION OF SHARES

- 9.1 In the case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.
- 9.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as provided in these Articles, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as its holder.
- 9.3 If the person so becoming entitled shall elect to be registered himself as the holder of the share, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered as the holder of the

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share, he shall signify his election by signing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

- 9.4 A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall, upon supply to the Company of such evidence as the Board may reasonably require as to his title to the share, be entitled to receive and may give a discharge for all benefits and dividends arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the Company, or, except as previously stated, to any of the rights or privileges of a Member until he has become a Member in respect of the share. The Board may at any time give notice requiring any such person who is the holder of a fully paid up share to elect either to be registered himself or to transfer the share and, if within 60 days the notice is not complied with, such person shall be deemed to have elected to be registered as a Member in respect of the share and may be registered accordingly.

#### 10. DISCLOSURE OF INTERESTS IN SHARES

- 10.1 Sections 211, with the exception of sub-section (10), 212 and 213(1) to (3) of the Act shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each Member. If a notice is given under section 212 ("section 212 notice") to a person appearing to be interested in any shares, a copy shall at the same time be given to the holder of those shares but the accidental omission to do so or the non-receipt by the Member shall not prejudice the operation of Articles 10.2 to 10.6, which shall be without prejudice to the provisions of section 216 of the Act. In particular, the Company shall be entitled to apply to the court under section 216(1) whether or not these Articles apply or have been applied.

- 10.2 If a Member or any person appearing to be interested in any shares held by a Member has been duly served with a section 212 notice and is in default for the relevant period (as defined in Article 10.7.3) from such service in supplying to the Company the information required in it, the provisions of Articles 10.4 and 10.5 shall apply. The restrictions imposed by those Articles in relation to any shares shall continue until at the latest seven days after a relevant event occurs in relation to those shares and shall lapse when it does so. For this purpose, a "relevant event" is either of the following:

- 10.2.1 the default is remedied to the satisfaction of the Company; or
- 10.2.2 the shares are registered in the name of the purchaser or offeror (or that of his nominee) pursuant to an arm's length transfer (as defined in Article 10.7.1).

- 10.3 Any Dividends withheld pursuant to Article 10.5.2 shall be paid to the Member as soon as practicable after the restrictions contained in Article 10.5 lapse.

- 10.4 If the Member has a holding of less than 0.25 per cent of any class of shares, then, subject to Article 10.6 and unless the Board otherwise determine, the Member shall not be entitled in respect of the shares held by him, whether or not referred to in the section 212 notice, to attend and vote at a general meeting either personally or by proxy.
- 10.5 If the Member has a holding of at least 0.25 per cent of any class of shares, then, subject to Article 10.6 and unless the Board otherwise determine, the Member shall not be entitled in respect of the shares held by him, whether or not referred to in the section 212 notice:
  - 10.5.1 to attend and vote at a general meeting either personally or by proxy;
  - 10.5.2 to receive any Dividend payable in respect of such shares; and
  - 10.5.3 to transfer or agree to transfer any of such shares, or any rights in them.
- 10.6 The restrictions in Articles 10.4 and 10.5 shall be without prejudice to the right of either the Member holding the shares concerned or, if different, the beneficial owner of those shares to effect or agree to sell under an arm's length transfer of those shares.
- 10.7 For the purposes of this Article:
  - 10.7.1 an arm's length transfer in relation to any shares is a transfer pursuant to:
    - 10.7.1.1 a sale of those shares to a bona fide unconnected third party on a recognised investment exchange (as defined in the Financial Services Act 1986) or on any stock exchange outside the United Kingdom on which the shares are normally traded; or
    - 10.7.1.2 an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them.
  - 10.7.2 the Company shall be entitled to treat any persons as appearing to be interested in any shares if:
    - 10.7.2.1 the Member holding such shares or any person who is or may be interested in such shares either fails to respond to a section 212 notice or has given to the Company a notification pursuant to a section 212 notice which in the opinion of the Board fails to establish the identities of those interested in the shares and if, (after taking into account such notification and any other relevant notification pursuant to a section 212 notice), the Company knows

or has reasonable cause to believe that the person in question is or may be interested in the shares; or

10.7.2.2 that person, not being the Member, is interested in those shares for the purposes of section 212.

10.7.3 the "relevant period" shall be, for both cases falling within Article 10.4 and 10.5, 14 days.

## 11. STOCK

- 11.1 The Company may by ordinary resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any denomination.
- 11.2 The holders of stock may transfer it or any part of it in the same manner and subject to the same regulations as would have applied to the shares from which the stock arose if they had not been converted, or as near as circumstances admit. The Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable, provided that such minimum does not exceed the nominal amount of each of the shares from which the stock arose.
- 11.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose, provided that no such privilege or advantage, except participation in Dividends and profits of the Company and in the assets on a winding up, shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
- 11.4 All the provisions of these Articles applicable to paid up shares shall apply to stock, and in all such provisions the words "share" and "Member" shall include "stock" and "stockholder" respectively.

## 12. INCREASE OF CAPITAL

- 12.1 The Company may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts and carrying such rights, as the resolution may prescribe.
- 12.2 All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise. Unless otherwise provided by these Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall upon issue be ordinary shares.

## 13. ALTERATION OF CAPITAL

- 13.1 The Company may by ordinary resolution:

- 13.1.1 consolidate all or any of its share capital into shares of larger amounts than its existing shares; or
  - 13.1.2 sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject nevertheless to the provisions of the Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or
  - 13.1.3 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 shares so cancelled.
- 13.2 Subject to the Act and to any rights for the time being attached to any shares, the Company may from time to time by special resolution reduce its authorised and issued share capital or any capital redemption reserve fund and any share premium account in any manner authorised by the Act and diminish the amount of its share capital by the amount of the shares so cancelled.
- 13.3 Whenever as a result of any consolidation of shares any Members would become entitled to fractions of a share, the Board may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the Members who would have been entitled to the fractions of shares.
- 13.4 For the purpose of any such sale, the Board may authorise some person to transfer the shares representing the fractions to their purchaser, whose name shall thereupon be entered in the Register of Members as the holder of the shares, and who shall not be bound to see to the application of the purchase money, and the title to the shares of such purchaser shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 13.5 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of one class duly convened and held as hereinafter provided (but not otherwise).



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#### 14. GENERAL MEETINGS

- 14.1 Subject to the provisions of the Act, the annual general meeting shall be held at such time and place as the Board may determine.
- 14.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 14.3 The Board may call an extraordinary general meeting whenever it thinks fit, and shall do so when required by the Act, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requirements, as provided by the Act.

#### 15. NOTICE OF GENERAL MEETINGS

- 15.1 Subject to the provisions of the Act, an annual general meeting and an extraordinary general meeting for the passing of a special resolution shall be called by 21 days' notice at the least, and all other general meetings shall be called by 14 days' notice at the least. The notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given.
- 15.2 Every notice shall be in writing and shall specify the place, the day and the time of meeting, and, in the case of special business, the general nature of such business, and in the case of an annual general meeting, shall specify the meeting as such.
- 15.3 Notices shall be given in the manner stated in these Articles to all the Members, other than those who under the provisions of these Articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the Auditors and the Directors.
- 15.4 A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in Article 15.1, be deemed to have been duly convened if it is so agreed:
  - 15.4.1 in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote at it; or
  - 15.4.2 in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 15.5 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.

15.6 In every notice calling a meeting of the Company or any class of the Members of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and that a proxy need not also be a Member.

15.7 Where special notice of a resolution is required by any provision contained in the Act, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not fewer than 28 days, or such shorter period as the Act permits, before the meeting at which it is moved, and the Company shall give to its Members, notice of any such resolution as required by and in accordance with the provisions of the Act.

15.8 It shall be the duty of the Company, subject to the provisions of the Act, on the requisition in writing of such number of Members as is specified in the Act and, unless the Company otherwise resolves, at the expense of the requirements,

15.8.1 to give to Members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting and

15.8.2 to circulate to Members entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

## 16. PROCEEDINGS AT GENERAL MEETINGS

16.1 All business shall be deemed special that is transacted at an extraordinary general meeting.

16.2 All business that is transacted at an annual general meeting shall also be deemed special, with the exception of:

16.2.1 declaring Dividends;

16.2.2 the consideration of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;

16.2.3 the appointment of Directors in the place of those retiring by rotation or otherwise;

16.2.4 the reappointment of the retiring Auditors, other than retiring Auditors who have been appointed by the Board to fill a casual vacancy and the fixing of remuneration of the Auditors or the determination of the manner in which such remuneration is fixed;

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- 16.2.5 the fixing of the remuneration of the Auditors, and
- 16.2.6 the giving, varying, revoking or renewing of any authority or power for the purposes of section 80 of the Act.
- 16.3 No business shall be transacted at any general meeting unless a quorum is present. Except as otherwise provided in these Articles, two persons entitled to vote at the meeting each being a Member or a proxy for a Member or a representative of a corporation which is a Member, duly appointed as such in accordance with the Act, shall be a quorum for all purposes.
- 16.4 If within half an hour from the time appointed for the meeting a quorum is not present or if a quorum ceases to be present, the meeting, if convened on the requisition of, or by, Members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.
- 16.5 If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, the Company shall give not fewer than seven clear days' notice at the least, specifying the place, the day and the time of the adjourned meeting and that the Member or Members present shall form a quorum, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Except as stated, it shall not be necessary to give any notice of an adjournment.
- 16.6 The Chairman (if any) of the Board, or in his absence some other Director nominated by the Chairman in writing, shall preside as chairman at every general meeting of the Company, but if at any meeting neither the Chairman nor such other Director is present within 15 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose some Director present to be chairman, or if no Director is present, or if all the Directors present decline to take the chair, the Members present shall choose some Member present to be chairman.
- 16.7 The Chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
- 16.8 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded:

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- 16.8.1 by the Chairman; or
  - 16.8.2 by not fewer than five Members present in person or by proxy and entitled to vote at the meeting; or
  - 16.8.3 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
  - 16.8.4 by a Member or Members holding shares of the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 16.9 Unless a poll is so 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 book containing the minutes of the proceedings of general meetings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 16.10 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll and to vote on a poll on the election of a chairman and on a motion to adjourn a meeting. For the purposes of Article 16.8, a demand by a person as proxy for a Member shall be the same as a demand by the Member.
- 16.11 If any votes are counted which ought not to have been counted or might have been rejected, or if any votes are not counted which ought to have been counted, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of it, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
- 16.12 If an amendment is proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman, 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 or special resolution, no amendment to it, other than a mere clerical amendment to correct a patent error, may in the event be considered or voted upon.
- 16.13 Subject to the provisions of Article 16.14, if a poll is duly demanded, it shall be taken in such manner as the Chairman may direct, including the use of ballot or voting papers or tickets, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll, appoint scrutineers, who need not be Members, and may fix some place and time for the purpose of declaring the result of the poll.

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- 16.14 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 forthwith or at such time and place as the Chairman directs, not being more than 30 days from the date of the meeting or the adjourned meeting at which the poll was demanded. 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 days' notice shall be given specifying the time and place at which the poll is to be taken.
- 16.15 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote.
- 16.16 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 has been demanded.
- 16.17 A 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 poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the Chairman, the meeting shall continue as if the demand had not been made.
- 16.18 A Director (and any other person invited by the Chairman to do so) 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 of the Company.
17. VOTES OF MEMBERS
- 17.1 Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these Articles, 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 shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- 17.2 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.
- 17.3 A Member who is a patient within the meaning of the Mental Health Act 1983 may vote, whether on a show of hands or on a poll, by his receiver, curator bonis, or other person appointed by such court (who may on a poll vote by proxy) provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office not fewer than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

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- 17.4 No Member shall, unless the Board otherwise determine, be entitled in respect of any shares held by him to vote at any general meeting either in person or by proxy, or to exercise any privilege as a Member:
- 17.4.1 if any calls or other sums presently payable by him in respect of those shares have not been paid;
  - 17.4.2 if he or any person appearing to be interested in those shares has been duly served with a notice under section 212 of the Act and he or any such person is in default in supplying to the Company the information requested in it within 42 days after service of such notice or such longer period as may be specified in such notice for compliance with it and has not remedied such default within a further period of 14 days after service of a further notice requiring him so to do.
- 17.5 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 given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final, binding and conclusive.
- 17.6 On a poll, votes may be given either in person or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 17.7 Any person, whether a Member or not, may be appointed to act as a proxy. 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 in person at the meeting or any adjournment of it.
- 17.8 The instrument appointing a proxy shall be in writing in any usual or common form, or such other form as may be approved by the Board, and shall be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, shall be either under its common Seal or under the hand of an officer or agent so authorised. The Board may, but shall not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 17.9 The instrument appointing a proxy, together with (unless the Board waives such requirement) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such authority, shall be deposited at the Office, or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not fewer than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid. An instrument appointing

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a proxy to vote at any meeting and deposited as set out in this Article shall be valid to empower the proxy so appointed to vote on any poll taken or demanded at such meeting or at any adjournment of such meeting. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

- 17.10 A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate Member or poll demanded by proxy or by the duly authorised representative of a corporate Member shall be valid, notwithstanding (in the case of a proxy) the previous death or insanity of the principal, or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least 48 hours before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

- 17.11 The Board may at the expense of the Company send, by post or otherwise, to the Members instruments of proxy (with or without provision for their return pre-paid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all, and not to some only, of the Members entitled to be sent a notice of the meeting and to vote at it by proxy.

### 18. CORPORATIONS ACTING BY REPRESENTATIVES

Any corporation (whether or not a company within the meaning of the Act) which is a Member of the Company may by resolution of its Board 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. 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 these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it. A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably to satisfactory to him before permitting him to exercise his powers.

### 19. DIRECTORS

- 19.1 Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than alternate Directors) shall be not fewer than 2 and not more than 20.

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- 19.2 A Director shall not be required to hold any share qualification but shall nevertheless be entitled to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the Company.

20. ALTERNATE DIRECTORS

- 20.1 Any Director (other than an alternate Director) may at any time appoint any other Director, or any person approved by resolution of the Board to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from office and, subject to such approval by resolution of the Board, appoint another person in his place. An alternate Director so appointed shall not be required to hold any share qualification.
- 20.2 Subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him, an alternate Director shall be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director 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 the absence of such appointor.
- 20.3 An alternate Director shall ipso facto cease to be an alternate Director on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. If, however, any Director retires whether by rotation or otherwise but is reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to Article 20.1 which was in force immediately prior to his retirement shall continue to operate after his re-appointment as if he had not so retired.
- 20.4 All appointments and removals of alternate Directors shall be effected by notice in writing under the hand of the Director making or revoking such appointment sent to or left at the Office.
- 20.5 Except as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall not be entitled to receive any remuneration from the Company for his services as such but his remuneration shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such part (if any) of the latter's remuneration as shall be agreed between them.
21. POWERS AND DUTIES OF DIRECTORS
- 21.1 The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these Articles and of the Act, and to such directions, whether or not inconsistent with these Articles, as may be prescribed by the Company by special resolution. No such



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direction and no alteration of these Articles shall invalidate any prior act of the Directors which would have been valid if such direction or alteration had not been given or made. The matters to which the Directors shall have regard in the performance of their functions shall include the interests of the Company's employees in general as well as the interests of its Members. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

- 21.2 The Board may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as it thinks fit and the provisions contained in the following two Articles shall be without prejudice to the general powers conferred by this Article.
- 21.3 The Board may establish any councils, committees, local 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 such local boards, managers or agents and may fix their remuneration and may delegate to any council, committee, local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate and may authorise the Members of any local board or any of them, to fill any vacancies in it and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed, and annul or vary any such delegation but no person, dealing in good faith and without notice of any such annulment or variation, shall be affected by it.
- 21.4 The Board may from time to time and at any time, appoint, whether by power of attorney or otherwise, any corporation, firm, person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the agent of the Company for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as they may think fit. Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the Board may think fit and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 21.5 The Board may exercise the powers conferred upon the Company by section 362 of the Act with regard to the keeping of an overseas branch Register and the Board may, subject to the provisions of the Act, make and vary such regulations as it thinks fit in respect of the keeping of any such Register.
- 21.6 The Directors may establish, maintain, participate in or contribute to or procure the establishment and maintenance of, participation in and contribution to any pension, annuity or superannuation funds, scheme or arrangement whether contributory or otherwise, for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons who are or were at any time Directors of or in the employment or service of the Company, or of any Company which is a holding company or subsidiary of the Company or is allied to or associated with the

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Company or any such subsidiary or of any of the predecessors in business of the Company or any such other Company, or who may be or have been Directors or officers of the Company, or of any such other company, and to the spouses or former spouses, widows, families and dependants of any such persons.

- 21.7 Subject to particulars of the proposed payment being disclosed to the Members and to the proposal being approved by the Company by ordinary resolution, if the Act shall so require, any Director who holds or has held any executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.
- 21.8 The Board may also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or any person or any other company mentioned in Article 21.6 and make payments for or towards the insurance of any such person and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any political, public, general or useful object and do any of such matters, either alone or in conjunction with any company mentioned in Article 21.6.
- 21.9 The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by the Directors as Directors of such other company in such manner in all respects as they think fit, including its exercise in favour of any resolution appointing themselves or any of them Directors, other officers or employees of such company or voting or providing for the payment of remuneration to such officers or employees and may authorise any Director or the Secretary to evidence any such resolution.
- 21.10 The Board may at any time require any corporate Member to furnish any information, supported (if the Board so requires) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such Member is one to whom Chapter III Part XI Income and Corporation Taxes Act 1988 applies.
- 21.11 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board may from time to time by resolution determine.

## 22. BORROWING POWERS

- 22.1 Subject to Articles 22.2 to 22.11, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part of it, and subject to the provisions of the Act, 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.

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- 22.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure, as regards subsidiaries so far as by such exercise they can secure, that, except with the previous sanction of an ordinary resolution, no money shall be borrowed if the aggregate principal amount, including any premium payable on final repayment, outstanding of all monies borrowed by the Company and its subsidiaries, excluding amounts borrowed by the Company and its subsidiaries from any other of such companies, then exceeds or would, as a result of such borrowing, exceed an amount equal to five times the aggregate of:
- 22.2.1 the nominal amount paid up on the share capital of the Company; and
  - 22.2.2 the amounts standing to the credit of the consolidated reserves of the Company and its subsidiaries whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve and profit and loss account.
- 22.3 The amounts referred to in Article 22.2 shall all be as shown in a consolidation of the then latest audited balance sheets of the Company and each of its subsidiary companies but after:
- 22.3.1 making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital the share premium account and the capital redemption reserve fund of the Company since the date of its latest audited balance sheet;
  - 22.3.2 excluding from them any sums set aside for future taxation and amounts attributable to outside shareholders in subsidiaries;
  - 22.3.3 deducting from them:
    - 22.3.3.1 an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet;
    - 22.3.3.2 goodwill and other intangible assets; and
    - 22.3.3.3 any debit balances on profit and loss account.
- 22.4 For the purposes of Article 22.2 "monies borrowed" shall be deemed to include the following except insofar as otherwise taken into account:
- 22.4.1 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed monies, the beneficial interest whereof is not for the time being owned by any of the Company and its subsidiaries, or any body

whether corporate or unincorporate and the payment or repayment whereof is the subject of a guarantee or indemnity by any of the Company and its subsidiaries;

- 22.4.2 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries ;
  - 22.4.3 the principal amount of any debenture, whether secured or unsecured, of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;
  - 22.4.4 the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and
  - 22.4.5 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing.
- 22.5 For the purpose of Article 22.2 "monies borrowed" shall be deemed not to include:
- 22.5.1 borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and
  - 22.5.2 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function or otherwise, to an amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured.
- 22.6 A report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Article 22.2 be owing by the Company and its subsidiaries without the sanction of an ordinary resolution shall be conclusive in favour of the Company and all persons dealing with the Company.
- 22.7 When the aggregate amount of borrowings required to be taken into account for the purposes of Article 22.2 on any particular day is being ascertained, any of such monies denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:
- 22.7.1 at the rate of exchange prevailing on that day in London, provided that all but not some only of such monies shall be converted at the rate of exchange prevailing in London six months before such day if by virtue of the current rate

of exchange such aggregate amount would be less; for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business; or

- 22.7.2 where the repayment of such monies is expressly covered by a forward purchase contract, currency option, back-to-back loan, swaps or other agreement taken out or entered into to reduce the risk associated with fluctuations in exchange rates at the rate of exchange specified in it.
- 22.8 No debt incurred or security given in respect of monies borrowed, or to be taken into account as monies borrowed in excess of the limit in Article 22.2, shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that such limit had been or was exceeded by the debt or security in question, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.
- 22.9 Subject as set out in Articles 22.2 to 22.8, the Board may secure or provide for the payment of any monies to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security. The Board may confer upon any mortgagees or persons in whom any debenture or security is vested such rights and powers as it thinks necessary or expedient. They may vest any property of the Company in trustees for the purpose of securing any monies so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture holder such rights and powers as the Board may think necessary or expedient in relation to the undertaking or property of the Company or its management or realisation or the making, receiving, or enforcing of calls upon the Members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.
- 22.10 The Board may give security for the payment of any monies payable by the Company in like manner as for the payment of monies borrowed or raised, but in such case the amount shall for the purposes of the limitation in Article 22.2 be reckoned as part of the money borrowed.
- 22.11 The Board shall keep a register of charges in accordance with the Act and the fee to be paid by any person, other than a creditor or Member of the Company for each inspection of the register of charges to be kept under the Act shall be 5p.
23. DELEGATION OF DIRECTORS' POWERS
- 23.1 The Directors may delegate any of their powers, duties, discretion and authorities to committees consisting of such members or member of their body as they think fit. Any committee so formed shall in the exercise of the powers, duties, discretions and authorities so delegated, conform to any regulations that may be imposed on it by the Directors.

- 23.2 The meetings and proceedings of any such committee consisting of two or more directors shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board so far as they are applicable and are not superseded by any regulations made by the Board under Article 23.1.
- 23.3 Any committee appointed pursuant to this Article 23 shall have as its members a majority of Directors and no resolution of such committee shall be effective unless a majority of those present are Directors or alternate Directors.
- 23.4 The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any committee in whole or in part. Insofar as any power, authority or discretion is delegated by the Board any reference in these Articles in the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee.
24. APPOINTMENT AND RETIREMENT OF DIRECTORS
- 24.1 Subject to the provisions of these Articles, 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 not exceeding one-third, shall retire from office at the annual general meeting in every year. A Director retiring at a general meeting shall, if he is not re-appointed, retain office until the meeting appoints someone in his place or, if it does not do so, until the end of that meeting.
- 24.2 Subject to the provisions of the Act and of these Articles, the Directors to retire in every year shall include, so far as necessary to obtain the required number, any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire 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. A retiring Director shall be eligible for re-appointment, subject as set out in these Articles.
- 24.3 The Company at the meeting at which a Director retires in the manner set out in Article 24.2 may fill the vacated office, and in default the retiring Director, if willing to act, shall be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the re-appointment of such Director is put to the meeting and lost.
- 24.4 No person other than a Director retiring at the meeting shall, unless recommended by the Board for appointment, be eligible for appointment to the office of a Director at any general meeting unless, not fewer than 7 nor more than 42 clear days before the day appointed for the meeting, there is given to the Company notice in writing by some

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Member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the required particulars and, also, notice in writing signed by the person, to be proposed of his willingness to be appointed.

- 24.5 At a general meeting, a motion for the appointment of two or more persons as Directors by a single resolution shall be void, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 24.6 The Company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office, and without prejudice to the provisions of Article 24.7, may by ordinary resolution appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, and remove a Director, including a Director holding executive office, before the expiry of his period of office.
- 24.7 The Board and the Company in general meeting shall each have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Subject to the provisions of the Act and of these Articles, any Director so appointed by the Board shall hold office only until the conclusion of the next following annual general meeting and shall be eligible for reappointment at that meeting. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
- 24.8 Any contract of employment entered into by a Director with the Company shall not include a term that it is to continue or may be continued, otherwise than at the instance of the Company, for a period exceeding five years during which the employment either cannot be terminated by the Company by notice or can be so terminated only in specified circumstances, unless such term is first approved by ordinary resolution of the Company.
- 24.9 No person shall be appointed a Director having attained the age of 70 and each Director shall vacate his office at the time of attaining the age of 70.

## 25. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 25.1 The office of a Director shall be vacated in any of the following events:

25.1.1 if not being a Director who has agreed to serve as a Director for a fixed term and subject to the terms of any service contract between him and the Company, he resigns his office by notice in writing signed by him and authorised in such manner as the Board may require, sent to or left at the Office or tendered at a meeting of the Board; or

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- 25.1.2 if he becomes bankrupt or has a receiving order made against him or makes any arrangement or composition with his creditors generally; or
  - 25.1.3 if in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground, however formulated, of mental disorder for his detention or for the appointment of a guardian or receiver or other person, by whatever name called, to exercise powers with respect to his property or affairs; or
  - 25.1.4 if he is absent from meetings of the Board for six successive months without leave, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board resolve that his office be vacated; or
  - 25.1.5 if he ceases to be a Director by virtue of any provision of the Act or pursuant to these Articles; or
  - 25.1.6 if he become prohibited by law from being a Director.
- 25.2 Without prejudice to the provisions of the Act, the Company may, by ordinary resolution, remove a Director before the expiry of his period of office (but such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company) and may, by ordinary resolution, appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director.
- 25.3 A resolution of the Board declaring a Director to have vacated office under Article 25.1 shall be conclusive as to the fact and grounds of vacation stated in the resolution.
26. EXECUTIVE AND OTHER DIRECTORS
- 26.1 Subject to the provisions of the Act, the Board may from time to time and at any time appoint one or more of its body to hold any executive office in relation to the management of the business of the Company on such terms, for such period and with or without such title(s) as they may decide. The Board may, from time to time, subject to the provisions of any service contract between a Director(s) and the Company, remove or dismiss him or them from such office and appoint another or others in his or their place or places.
- 26.2 A Director who holds any such executive office shall, while he continues to hold that office, be subject to retirement by rotation in accordance with the provisions of Article 24, and he shall be taken into account in determining the rotation of retirement of Directors. He shall also, subject to the provisions of Article 25.1 and of any service contract between him and the Company, be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company. If he ceases to hold



the office of Director for any cause, his appointment as the holder of an executive office shall ipso facto terminate.

- 26.3 The remuneration of any Director holding executive office may consist of salary, commission, profit participation, share options, pension or insurance benefit or any combination thereof, or otherwise as the Board determine.
- 26.4 The Directors may entrust to and confer upon any Director appointed to any such executive office any of the powers exercisable by them as Directors, other than the power to make calls or forfeit shares, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 26.5 Subject to the provisions of the Act, the Board may from time to time, and at any time, pursuant to this Article appoint any person to any post with such descriptive title including that of Director (whether as executive, group, divisional, departmental, deputy, assistant, local, advisory Director or otherwise) as the Board may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties and subject, to any contract between him and the Company, may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Act, and accordingly shall not be a Member of the Board or of any committee of it, nor shall he be entitled to be present at any meeting of the Board or of any such committee, except at the request of the Board or of such committee. If present at such request he shall not be entitled to vote at such meeting.

## 27. REMUNERATION OF DIRECTORS

- 27.1 The remuneration of any Director holding executive office may consist of salary, commission, profit participation, share options, pension or insurance benefit or any combination thereof, or otherwise as the Board determines. The Board may establish a remuneration committee to be made up of non-executive Directors for the purpose of establishing a policy for remuneration of Directors holding executive office and the remuneration packages of such executive Directors. Such committee shall report on and account for, directly to the members at each annual general meeting of the company, the decisions reached by such committee.
- 27.2 The Directors shall be entitled to fees at such rate or rates as may from time to time be determined by the Board, provided however that the aggregate fees of the Directors shall not exceed £250,000 per annum, or such additional sum as may from time to time be determined by the Company by ordinary resolution. In the case of an executive Director, such fees shall be payable to him in addition to his remuneration as such executive Director.

27.3 The Company may, by ordinary resolution, also vote extra fees to the Directors which shall, unless otherwise determined by the resolution by which it is voted, be divided among the Directors as they may agree, or failing agreement, equally. The Directors' fees shall be deemed to accrue from day to day.

27.4 Any Director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, participation in profits or otherwise as the Board may determine.

27.5 If by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive officer, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

## 28. DIRECTORS' EXPENSES

The Directors shall also be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the business of the Company or in attending and returning from meetings of the Board or of committees of the Board or general meetings or any separate class meeting.

## 29. DIRECTORS' INTERESTS

29.1 A Director, including an alternate Director, may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Board may determine.

29.2 Subject to the Act and to the provisions of these Articles, no Director or intending Director, including an alternate Director, shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as seller, purchaser or otherwise. No such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way, whether directly or indirectly, interested, shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of his fiduciary relationship with the Company.

29.3 Any Director, including an alternate Director, may continue to be or become a Director or other officer or Member of or otherwise interested in any other company promoted by the Company or in which the Company may be interested, as a Member or otherwise, or which is a holding company of the Company or a subsidiary of any such holding company. No such Director shall be accountable for any remuneration or other benefits

received by him as a Director or other officer or Member of, or from his interest in, any such other company. The Board may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by the Board or such other company, in such manner in all respects as it thinks fit, subject to the restrictions contained in Article 29.8.

- 29.4 A Director, including an alternate Director, who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Board. In the case of a proposed contract, transaction or arrangement, the declaration shall be made at the meeting of the Board at which the question of entering into the contract, transaction or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract, transaction or arrangement, at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract, transaction or arrangement after it is made, the declaration shall be made at the first meeting of the Board held after the Director becomes so interested. In a case where the Director is interested in a contract, transaction or arrangement which has been made before he was appointed a Director, the declaration shall be made at the first meeting of the Board held after he is so appointed.
- 29.5 For the purposes of Article 29.4, a general notice given to the Board by any Director to the effect that he is a Member of any specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with such company or firm shall, if such Director shall give the notice at a meeting of the Board or shall take reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given, be deemed a sufficient declaration of interest in relation to any contract so made.
- 29.6 A Director of the Company may continue or become a Director or other officer, employee or Member of any company promoted by the Company or in which it may be interested as a seller, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as Director or other officer, employee or Member of such company
- 29.7 Except as provided in these Articles or by the Company in general meeting, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he (together with any interest of any person connected with him) has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- 29.8 A Director shall, in the absence of some other material interest than is indicated below, be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely:

- 29.8.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - 29.8.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 29.8.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as the holder of such shares, debentures or other securities or in its underwriting or sub-underwriting;
  - 29.8.4 any contract, arrangement, transaction or other proposal concerning any other company in which he holds an interest (as that term is used in Part VI of the Act) not representing one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to Members of the relevant company, any such interest being deemed for the purpose of this Article to be a material interest in all circumstances;
  - 29.8.5 any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries, which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or
  - 29.8.6 any contract, arrangement, transaction or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.
- 29.9 A Director shall not vote or be counted in the quorum on any resolution concerning 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 including fixing or varying the terms of his appointment or its termination.
- 29.10 Where proposals are under consideration concerning the appointment, including fixing or varying the terms of appointment, of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such cases, each of the Directors concerned, if not prevented from voting under Article 29.8.4, shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

29.11 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If the question concerns the chairman of the meeting, it shall be referred to such other Director present at the meeting, other than the chairman of the meeting, as the Directors present appoint.

29.12 For the purposes of this Article 29 (which shall apply equally to alternate Directors) an interest of a person who is for the purposes of the Act connected (which word shall have the meaning given to it by section 346 of the Act) with a Director shall be treated as being an interest of the Director.

### 30. PROCEEDINGS OF DIRECTORS

30.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In 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 the Director whom he is representing, to a separate vote on behalf of such Director in addition to his own vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom save where an address for such notice has been given pursuant to Article 30.2.

30.2 Notice of meetings of the Board shall be deemed to be duly 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 notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom.

30.3 A Director who is unable to attend any meeting of the Board and has not appointed an alternative Director may authorise any other Director to vote for him at the meeting and, in that event, the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote. Any such authority must be by instrument signed by the authorising Director and authenticated in such manner as the other Directors may accept. The authorising Director shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his doing so shall not prejudice the validity of the authorisation.

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- 30.4 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number, shall be two. For the purposes of this Article, an alternate Director shall, if his appointor is not present, be counted in a quorum, provided that not fewer than two individuals shall constitute a quorum. Any Director or alternate Director who attends a meeting of Board by telephone or other conference facility shall be deemed to be personally present at such meeting for all purposes of these Articles and shall be counted in the quorum accordingly. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- 30.5 The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors is less than the prescribed minimum, the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment. If there is no Director or Directors able or willing to act, any two Members may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall, subject to the provisions of the Act and these Articles, hold office only until the end of the annual general meeting of the Company next following such appointment, unless he is re-elected during such meeting. He shall not retire by rotation at such meeting or be taken into account in determining the rotation or retirement of Directors at such meeting.
- 30.6 The Board may from time to time elect from its number, and remove, a chairman and one or more deputy chairmen or vice chairmen and determine the period for which he is to hold office. The chairman, or in his absence, the deputy chairman or vice chairman (to be chosen if, in each case, there are more than one by agreement amongst them, or failing agreement, by lot) or in the absence of any of them, some other Director nominated by a majority of the other Directors in writing, shall preside at all meetings of the Board. If no such chairman, deputy chairman or vice chairman is elected, or if at any meeting the chairman or the deputy chairman or the vice chairman or such other Director is not present within five minutes after the time appointed for holding it, or if none of them is willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
- 30.7 A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or of a committee of the Board, shall be as effective as a resolution passed at a meeting of the Board or of a committee of the Board, duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Any such resolution or document signed by an alternate Director shall be deemed to have been signed by a Director who has appointed that alternate Director. It need not be signed by the alternate Director in that capacity.
- 30.8 A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

30.9 All acts done bona fide by any meeting of the Board, a committee of the Board, or any person acting as Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as a Director, or that they or any of them were disqualified, 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.

### 31. SECRETARY

31.1 Subject to the Act, the Secretary of the Company shall be appointed by the Board on such terms and for such periods as they may think fit, and the Board may so appoint one or more assistant or deputy Secretary. Any Secretary or assistant or deputy Secretary so appointed may at any time be removed from office by the Board, without prejudice to any claim for damages for breach of any contract of service between him and the Company.

31.2 Anything by the Act required or authorised to be done by the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by any officer of the Company authorised generally or specially in that behalf by the Board. Any provision of the Act or of these Articles requiring or authorising a thing to be done by a Director and Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or in the place of, the Secretary.

### 32. MINUTES

32.1 The Board shall cause minutes to be made of:

- 32.1.1 all appointments of officers and committees made by the Board and of any such officers' salary or remuneration;
- 32.1.2 the names of the Directors present at each meeting of the Board and of any committee of the Board, and all business transacted at such meetings; and
- 32.1.3 all orders, resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company and of the Board and of committees of the Board.

32.2 Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be prima facie evidence of the matters stated in such minutes without any further proof.

### 33. SEAL AND AUTHENTICATION OF DOCUMENTS

33.1 The Board shall provide a common Seal for the Company and shall have power from time to time to destroy it and to substitute a new Seal for it.

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- 33.2 The Board may exercise the powers conferred on the Company by section 40 of the Act with regard to having an official Seal solely for sealing documents creating or evidencing securities of the Company. Any such documents to which such official Seal is affixed need not be signed by any person.
- 33.3 The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of a resolution of the Board or of a committee of the Board authorised for that purpose by the Board. The Board may from time to time make such regulations as it thinks fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the Seal is affixed, and until otherwise so determined every such instrument shall be signed by one Director and shall be countersigned by a second Director or by the Secretary.
- 33.4 The Company may have official Seals under the provisions of section 39 of the Act for use as the Board may determine. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official Seal.
- 33.5 Any Director, the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of them or extracts from them as true copies or extracts. A document purporting to be a copy of a resolution, or a copy of or an extract from the minutes of a meeting of the Company or of the Board or any committee of the Board, which is certified as stated shall be conclusive evidence in favour of all persons dealing with the Company upon the faith of any such copy that such resolution has been duly passed or, as the case may be, that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting.
- 33.6 Every certificate or share warrant shall be issued either under Seal (which may be affixed to it or printed on it by mechanical or other means) or in such other manner as the Board, having regard to the terms of issue, the Act and the regulations of the Stock Exchange, may authorise; all references in these Articles to the Seal shall be construed accordingly.
34. DIVIDENDS
- 34.1 The profits of the Company available for distribution and resolved by ordinary resolution to be distributed shall be applied in the payment of Dividends to the Members in accordance with their respective rights and priorities in the profits of the Company. The Company in general meeting may declare Dividends accordingly.
- 34.2 No Dividend or interim Dividend shall be payable otherwise than in accordance with the provisions of the Act and no Dividend shall exceed the amount recommended by the Board.



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- 34.3 Subject to the rights of persons, if any, entitled to shares with preferential or other special rights as to Dividends, all Dividends shall be declared and paid according to the amounts paid up on the shares, otherwise than in advance of call, in respect of which the Dividend is paid. All Dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the Dividend is paid, except that if any share is issued on terms providing that it shall carry any particular rights as to Dividend as from a particular date, such share shall rank for Dividend accordingly.
- 34.4 Subject to the provisions of the Act and of these Articles, the Board may, if it thinks fit, from time to time pay to the Members such interim Dividends as appear to the Board to be justified by the distributable profits of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim Dividends in respect of those shares in the capital of the Company which confer on their holders deferred or non-preferred rights, as well as in respect of those shares which confer on their holders preferential rights with regard to Dividend. No Dividend (whether interim, final or otherwise) shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential Dividend is in arrear. The Board may also pay half-yearly, or at other suitable intervals to be settled by them, any Dividend which may be payable at a fixed rate if they are of the opinion that the distributable profits justify the payment and if and to the extent that such payment is permitted by the Act. Provided the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim Dividend on any shares having deferred or non-preferred rights.
- 34.5 Subject to the provisions of the Act or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date is before or after the incorporation of the Company, the profits or losses attributable to it as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as stated, if any shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise it or any part of it.
- 34.6 The Board may deduct from any Dividend or other monies payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. The Company may cease to send any cheque or warrant through the post for any Dividend payable on any shares in the Company which is normally paid in that manner on those shares if, in respect of at least two consecutive Dividends payable on those shares, the cheques or warrants have been returned undelivered or remain uncashed or, if following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder. Subject to the provisions of these Articles, the Company shall recommence sending cheques or warrants in respect of Dividends payable on those shares

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if the holder or person entitled by transmission claims the arrears of Dividend and does not instruct the Company to pay future Dividends in some other way.

- 34.7 The Board may retain the Dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares contained in these Articles, entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person becomes a Member in respect of such shares or transfers them.
- 34.8 All Dividends, interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect of them. No Dividend shall bear interest as against the Company.
- 34.9 Any Dividend which has remained unclaimed for a period of 12 years from the date on which it becomes due for payment shall, if the Board shall so resolve, be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.
- 34.10 Any Dividend or other monies payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled to the Dividend or other monies and, in the case of joint holders, to any one of such joint holders or, to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct and payment of the cheque or warrant 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 monies.
- 34.11 If several persons are registered as joint holders of any share any one of them may give effectual receipts for any Dividend or other monies payable on or in respect of the share.
- 34.12 The Board may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole, or some part, to be determined by the Board, of any Dividend specified by the ordinary resolution. The following provisions shall apply:
- 34.12.1 an ordinary resolution may specify a particular Dividend or may specify all or any Dividends declared within a 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;
- 34.12.2 the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to but not greater than the cash amount, disregarding any tax credit of the Dividend that such holder elects to forego. For this purpose, "relevant value"

shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on The Stock Exchange as derived from The Stock Exchange Daily Official List, on the day on which the ordinary 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 relevant value in respect of any Dividend shall be conclusive evidence of that amount;

- 34.12.3 on or as soon as practicable after announcing that it is to declare or recommend any Dividend, the Board, if it intends to offer an election in respect of that Dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of ordinary shares in writing of the right of election to them, and specify the procedure to be followed and the place at which, and the latest time by which elections must be lodged in order to be effective;
- 34.12.4 the Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
- 34.12.5 the Board may exclude from any offer any holders of ordinary shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;
- 34.12.6 the Dividends 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 made ("elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of the allotment calculated as stated. For such purpose, the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund, including the profit and loss account, whether or not it is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that 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 ordinary shares on that basis; and
- 34.12.7 the additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully paid shares then in issue except that they will not be entitled to participation in the relevant Dividend.
- 34.13 A general meeting declaring a Dividend may, upon the recommendation of the Board, direct payment of such Dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of the Company or any other company,

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and the Board shall give effect to such resolution. Where any difficulty arises in regard to the distribution, they may settle it as they think expedient and, in particular but without limitation, may issue fractional certificates, and may fix the value for distribution of such specific assets or any part of them, and may determine that cash payments shall be made to them any Members upon the footing of the value so fixed, in order to adjust the rights of Members. They may vest any specific assets in trustees upon trust for the persons entitled to the Dividend as may seem expedient to the Board, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part of them, and otherwise as it thinks fit.

### 35. RESERVES

- 35.1 Subject to the provisions of the Act, the Board may before recommending any Dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company, including any premiums received upon the issue of debentures or other securities of the Company, such sums as it think proper as a reserve or reserves.
- 35.2 All sums standing to reserve may be applied from time to time in the discretion of the Board for meeting depreciation or contingencies or for special Dividends or bonuses or for equalising Dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Board may think conducive to the objects of the Company or any of them and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Board thinks fit.
- 35.3 The Board may divide the reserve into such special funds as it thinks 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 as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also without placing them to reserve carry forward any profits which it may think it not prudent to divide.

### 36. CAPITALISATION OF PROFITS

- 36.1 Subject as set out in Articles 36.2 and 36.3, the Board may with the authority of an ordinary resolution of the Company:
- 36.1.1 resolve to capitalise any undivided profits of the Company, whether or not they are available for distribution and including profits standing to any reserve, or, any sum standing to the credit of the Company's share premium account or capital redemption reserve funds;
- 36.1.2 appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of ordinary shares, whether or not fully paid, held by them respectively, and apply such profits or sum on their behalf, either

in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in due proportion, or partly in one way and partly in the other;

- 36.1.3 resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid ordinary shares shall, so long as such ordinary shares remain partly paid, rank for Dividends only to the extent that such partly paid ordinary shares rank for Dividend;
- 36.1.4 make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Board thinks fit for the case of shares or debentures becoming distributable under this Article in fractions;
- 36.1.5 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 up, of any shares or debentures to which they may be entitled upon such capitalisation, any agreement made under such authority being thereupon effective and binding on all such Members; and
- 36.1.6 generally do all acts and things required to give effect to such resolution.
- 36.2 The share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purposes of Article 36.1, only be applied in the paying up of unissued shares to be allotted to Members credited as fully paid.
- 36.3 In the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time shall be not less than the aggregate of the called up share capital of the Company and its undistributable reserves and shall not be reduced below that aggregate by the payment of those amounts as shown in the latest audited accounts of the Company or such other accounts as may be relevant.
- 37. ACCOUNTS
  - 37.1 The Board shall cause proper accounting records to be kept in accordance with the Act.
  - 37.2 The accounting records shall be kept at the Office, or (subject to the provisions of the Act) at such other place as the Board thinks fit, and shall always be open to inspection by the officers of the Company. No Member, other than a Director, shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Board or by the Company in general meetings.

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- 37.3 The Board shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts balance sheets, group accounts (if any) and reports as are specified in the Act.
- 37.4 The Auditors' report shall be laid before the Company in general meeting and shall be open to inspection as required by the Act.
- 37.5 A copy of every balance sheet and profit and loss account, including every document required by law to be annexed to them, which is to be laid before the Company in general meeting, and of the Directors' and Auditors' reports, shall not fewer than 21 days before the date of the meeting be sent to every Member and to every holder of debentures of the Company, except that:
- 37.5.1 this Article shall not require copies of such documents to be sent to any person to whom, by virtue of section 240(3) of the Act, the Company is not required to send them, nor to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures; and
- 37.5.2 instead of these documents, there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required by law to be sent, to the Members of and holders of debentures of the Company.
- 37.6 Whenever any of the Company's shares or debentures have been admitted to listing by The Stock Exchange the required number of such documents shall, at the same time, be forwarded to the appropriate officer of The Stock Exchange.

### 38. RECORD DATES

Notwithstanding any other provision of these 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 any date on which such Dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such Dividend, distribution, allotment or issue is declared.

### 39. AUDIT

- 39.1 Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by the Auditors.
- 39.2 Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Act.
- 39.3 The Board may establish an audit committee to be made up of non-executive Directors and may determine the terms of reference of such committee including (but without

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limitation) matters relating to the auditors, the audit fee, the nature and scope of the audit, the internal controls of the company and internal investigations of the company. Such audit committee shall be made up of at least three non-executive Directors, or such lesser number as the Board determines appropriate, and shall report to the Board.

#### 40. NOTICES

- 40.1 Any notice or document may be given or served by the Company on any Member either personally or by sending it through the post in a pre-paid letter addressed to such Member at his address as appearing in the Register. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
- 40.2 Any Member described in the Register by an address not within the United Kingdom who from time to time gives to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address but otherwise no Member, other than a Member described in the Register by an address within the United Kingdom, shall be entitled to receive any notice from the Company.
- 40.3 Any Member present, either in person or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
- 40.4 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share shall be bound by any notice, other than a notice issued under section 212 of the Act, in respect of such share which, prior to his name and address being entered on the Register, was duly given to the person from whom he derives his title to such shares.
- 40.5 Any notice required to be given by the Company to the Members or any of them and not provided for by or pursuant to these Articles, shall be sufficiently given if given by advertisement inserted once in at least one national daily newspaper.
- 40.6 Except as otherwise provided by the Act or by these Articles, any notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. Any notice or other document required to be served by the Company on any Member, if served by post, shall be deemed to have been served at the latest within 24 hours if pre-paid as first class and within 48 hours if pre-paid as second class after it has been posted. In proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice to be given by advertisement shall be deemed to have been served on the day on which the advertisement appears.

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40.7 Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead, bankrupt, of unsound mind or (being a corporation) in liquidation and, whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such Member, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder unless his name has at the time of the service of the notice or document been removed from the Register as the holder of the share and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

40.8 The signature to any notice to be given by the Company may be written or printed.

40.9 Any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice convening a Board or Board committee meeting need not be in writing.

#### 41. UNTRACED SHAREHOLDERS

41.1 The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member of any share of stock to which a person is entitled by transmission if and provided that:

41.1.1 for a period of 12 years no cheque or warrant, sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent, has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission provided that, in any such period of 12 years, the Company has paid at least three Dividends, whether interim or final, and no such Dividend has been claimed;

41.1.2 the Company has, at the expiry of the period of 12 years, by advertisement in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in Article 41.1.1 is located given notice of its intention to sell such share or stock;

41.1.3 the Company has not, during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale, received any communication from the Member or person entitled by transmission; and

41.1.4 the Company has first given notice in writing to the Listing Department of the Stock Exchange of its intention to sell such shares of stock.



- 41.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by crediting all monies in respect of those proceeds to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect of it for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments, other than shares of the Company or its holding Company if any, as the Board may from time to time think fit.

#### 42. DESTRUCTION OF DOCUMENTS

##### 42.1 The Company may destroy:

- 42.1.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation
- 42.1.2 any Dividend mandate or any variation or cancellation of it or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the Company
- 42.1.3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration
- 42.1.4 any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it.

- 42.2 It shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under Article 42.1 was a valid and effective document, in accordance with its recorded particulars in the books or records of the Company, provided that:

- 42.2.1 the provisions of Article 42.1 shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- 42.2.2 nothing contained in Article 42.1 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as set out in Article 42.1 or in any case where the conditions of Article 42.2.1 are not fulfilled; and

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42.2.3 references in this Article to the destruction of any document include references to its disposal in any manner.

#### 43. WINDING-UP

43.1 If the Company is wound up, whether the liquidation is altogether voluntary, under supervision or by the court, the liquidator may, with the authority of an extraordinary resolution, divide among the Members in specie the whole or in part of the assets of the Company, whether or not the assets consist of property of one kind or of properties of different kinds and may, for such purposes, set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members but, so that if any such division shall be otherwise than in accordance with the existing rights of the Members, every Member shall have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with section 110 of the Insolvency Act 1986. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares in respect of which there is a liability.

43.2 The Company shall exercise the power conferred upon it by section 719 (1) of the Act only with the prior sanction of a special resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power shall be deemed to be a variation of the rights attached to each class of shares and shall, accordingly, require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Article 3.10.

#### 44. INDEMNITY

Subject to the provisions of the Act, every Director or other officer and Auditor of the Company shall be indemnified out of the assets of the Company, against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation to them. In particular but without prejudice to the generality of the previous sentence, any such person shall be indemnified, out of the assets of the Company, against any liability incurred by him in defending any proceedings, whether civil or criminal, in relation to the affairs of the Company 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 under any statute in which relief is granted to him by the court from liability in relation to the affairs of the Company. The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would

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otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

#### 45. INDEMNITY AGAINST CLAIMS IN RESPECT OF SHARES

45.1 Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability on the Company to make any payment, or empowers any government or taxing authority or government official to require the Company to make any payment, in respect of any shares held either jointly or solely by a Member or in respect of any Dividends or other monies due or payable or accruing due or which may become due or payable to such Members by the Company or in respect of any such shares or for or on account or in respect of any Member in consequence of:

45.1.1 the death of such Member;

45.1.2 the non-payment of any income tax or other tax by such Member in respect of any shares in the Company or Dividend or other payment in respect of such shares; or

45.1.3 the non-payment of any estate, probate, succession, death, stamp or other duty by the executor or administrator of such Member or by or out of his estate;

the Company in every such case:

45.1.4 shall be fully indemnified by such Member or his executor or administrator from all liability arising by virtue of such law; and

45.1.5 may recover as a debt due from such Member or his executor or administrator (wherever constituted or residing) any monies paid by the Company under or in consequence of any such law, together with interest thereon at the rate of 15 per cent. per annum thereon from the date of payment to the date of repayment.

45.2 Nothing contained in this Article shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such Member, his executor, administrator, and estate wherever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

#### 46. INSURANCE

46.1 Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest whether directly or indirectly or who or was at that time a trustee of any pension

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fund or employee benefit trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested in indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee.

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