

Adopted on 3/12/2001

Company No 4122888

THE COMPANIES ACTS 1985 and 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MOBILE MESSAGE CENTRE PLC

1. **PRELIMINARY**

1.1 In these Articles:-

"Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof in force at the date of enactment of these Articles
"Articles"	means the articles of association of the Company
"Associated Person"	means in relation to any director, officer, employee or Holder, either (1) any subsidiary of the director, officer, employee or Holder, any holding company, or any other subsidiaries of any such holding company or (2) any parent, spouse or child of any director, officer, employee or Holder
"Board"	means the board of directors of the Company
"Clear Days"	in relation to the period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
"Convertible Securities"	means any Shares or other securities of the Company convertible into or exchangeable for Ordinary Shares
"Executed"	means any mode of execution



"Holder"	means, in relation to any Share, the member whose name is entered in the register of members as the holder of the Share
"Office"	means the registered office of the Company
"Options"	means any rights or options to subscribe for or to purchase Ordinary Shares or any Convertible Securities
"Ordinary Shares"	means the Ordinary Shares of £1 each in the capital of the Company
"Ordinary Share Equivalents"	means issued Ordinary Shares and Ordinary Shares issuable upon exercise of outstanding Options or upon conversion of outstanding Convertible Securities
"Ordinary Shareholder"	means the Holder of an Ordinary Share
"Seal"	means the common seal of the Company
"Secretary"	means the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint, assistant or deputy Secretary
"Share"	means any class of share in the capital of the Company as may be authorised from time to time
"United Kingdom"	means Great Britain and Northern Ireland

1.2 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act, but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

1.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

1.4 No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table A in the schedule to the Companies (Table A to F) Regulations 1985 (as amended), apply as the regulations or articles of association of the Company.

2. PUBLIC COMPANY

The Company is a public company limited by shares.

3. SHARE CAPITAL

- 3.1 The authorised share capital of the Company is £10,000,000 divided into 10,000,000 Ordinary Shares.
- 3.2 Subject to the Act, and the other provisions of these Articles, the directors have general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued Shares (whether forming part of the original or any increased share capital) to such persons, at such times and on such terms and conditions as the directors may decide but no Share may be issued at a discount.
- 3.3 The directors have general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities for a period expiring on the fifth anniversary of the date of incorporation of the Company unless previously renewed, varied or revoked by the Company in general meeting, and subject to the other provisions of these Articles.
- 3.4 The maximum amount of relevant securities which may be allotted pursuant to the authority conferred by Article 3.2 is £10,000,000 in nominal amount of Ordinary Shares or, where the authority is renewed, the nominal amount of the Shares which may be allotted pursuant to such renewed authority.
- 3.5 By the authority conferred by Article 3.2, or by any renewal of the authority, the directors may before the authority expires make an offer or agreement which would or might require relevant securities to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement.
- 3.6 Subject to the provisions of the Act and the other provisions of these Articles and without prejudice to any rights attached to any existing Shares, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
- 3.7 Subject to the provisions of the Act, Shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the Holder on such terms and in such manner as may be provided by the Articles.
- 3.8 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- 3.9 Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the Holder.

4. SHARE CERTIFICATES

- 4.1 Every member, upon becoming the Holder of any Shares, shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares

upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the Seal and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate for a Share to one joint Holder shall be a sufficient delivery to all of them.

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

5. LIEN

- 5.1 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any amount payable in respect of it.

- 5.2 The Company may sell in such manner as the directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen Clear Days after notice has been given to the Holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the Holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

- 5.3 To give effect to a sale the directors may authorise some person to Execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- 5.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

6. CALLS ON SHARES AND FORFEITURE

- 6.1 Save as permitted by section 101(2) of the Act, no Shares shall be allotted except as paid up at least as to one quarter of their nominal value and the whole of any premium.

- 6.2 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen Clear Days' notice specifying when and where payment is to be made) pay to the

Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

- 6.3 A call shall be deemed to have been made at the time when the resolution of the directors 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 thereof.
- 6.5 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
- 6.6 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid when due all the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 6.7 Subject to the terms of allotment, the directors may make arrangements on the issue of Shares for a difference between the Holders in the amounts and times of payment of calls on their Shares.
- 6.8 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen Clear Days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
- 6.9 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 6.10 Subject to the provisions of the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the Holder or to any other person and at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the directors may authorise some person to Execute an instrument of transfer of the Share to that person.

- 6.11 A person any of whose Shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 6.12 A statutory declaration by a director or the Secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the Execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share.

7. **TRANSFER OF SHARES GENERALLY**

- 7.1 The instrument of transfer of a Share may be in any usual form or in any other form which the directors may approve and shall be Executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.
- 7.2 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any Share.
- 7.3 The Company shall be entitled to retain any instrument of transfer which is registered.

8. **TRANSFER OF SHARES**

- 8.1 Subject as herein provided no member shall:-
- (a) pledge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in its Shares; or
 - (b) sell, transfer or otherwise dispose of any of such Shares (or any interest therein) except as provided under the provisions of these Articles (as the same may from time to time be amended).
- 8.2 A Member (the "**Transferor**") who wishes to transfer any Shares or any interest in any Shares (the "**Sale Shares**") to any person save as in accordance with Article 8.15 shall give the Company prior written notice that he desires to transfer the same (the "**Transfer Notice**") specifying the price at which he is willing to transfer the Sale Shares or, if he has received a bona fide arm's length independent offer from any person (the "**Third Party Offeror**"), the price offered by such Third Party Offeror (the "**Offer Price**") for the Sale Shares and the number of Sale Shares

pursuant to which the Transfer Notice has been issued. A Transfer Notice shall not be revocable except with the sanction of Board.

8.3 A Transfer Notice shall constitute the Company as the Transferor's agent for the sale of all (but not some only) the Sale Shares at a price (the "**Sale Price**") which is not less than the Offer Price and the Board shall promptly, by notice in writing (the "**Pre-emptive Notice**"), offer the Sale Shares to the other members for the time being, other than the Transferor (the "**Transferee(s)**"), within 5 Clear Days after receipt by the Company of the Transfer Notice. The Pre-emptive Notice shall:-

- (a) state the identity of the Transferor, the number of Sale Shares comprised in the Transfer Notice and the Offer Price;
- (b) state, if applicable, the identity of the Third Party Offeror;
- (c) contain a statement that each Transferee can apply for any number of Sale Shares they so choose (which for the avoidance of doubt includes zero);
- (d) invite each Transferee(s) to state in writing within a period of not less than 20 Clear Days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares; and
- (e) contain a statement that the offer to the Transferee(s) is conditional upon acceptance of the offer in respect of all the Sale Shares comprised in the Transfer Notice.

8.4 The offer of the Sale Shares to the Transferee(s) shall be open for acceptance by the Transferee(s) for a period of not less than 2 Clear Days from the date of the Pre-emptive Notice (the "**Acceptance Period**") and each Transferee can apply for any number of Sale Shares.

8.5 Each of the Transferee(s) shall be entitled, each at their own cost (so far as such cost was incurred by him) during the Acceptance Period, to instruct the Company's auditors for the time being to certify in writing (a "**certificate of value**"), acting as experts and not arbitrators (so that the provision of any law or statute relating to arbitration shall not apply), in their reasonable opinion, the fair value of the Sale Shares as at the date of the Transfer Notice, as between:-

- (a) a willing buyer and a willing seller contracting on bona fide arm's length terms;
- (b) on the basis that the Sale Shares are capable of being transferred without restriction;
- (c) without discount for minority or premium for majority; and
- (d) having regard to the fair value of the business of the Company as a going concern (including its goodwill).

- 8.6 If all or any of the Transferee(s) shall apply for all of the Sale Shares within the Acceptance Period (or such shorter time if all the Sale Shares shall have been so accepted) (the "Accepting Transferee(s)") the Board shall promptly give notice in writing to the Transferor (the "Acceptance Notice") specifying the number of Sale Shares applied for by each Accepting Transferee(s) and the place and time at which the sale of the Sale Shares will be completed (which shall be not more than 10 Clear Days following the date of the Acceptance Notice, which date shall be specified therein).
- 8.7 The Board shall allocate the Sale Shares as such Sale Shares are applied for and in the case of competition the same shall be allocated to or amongst the Accepting Transferee(s) in their Relevant Proportions. "Relevant Proportion" means the proportion equal to a members' respective percentage ownership of Shares from time to time.
- 8.8 If any Sale Shares shall not be capable of being offered to the Transferee(s) in their Relevant Proportions, except by way of fractions, the same shall be offered to the Transferee(s), or some of them, in such proportions as the Board may think fit.
- 8.9 No Accepting Transferee(s) shall be obliged to take, and shall not be allocated, more Sale Shares than he shall have applied for.
- 8.10 The Transferor shall be bound to transfer the Sale Shares to the Accepting Transferee(s) at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares shall be made to the Company as agent for the Transferor on the terms in Article 8.11. If the Transferor fails to transfer the Sale Shares, any person appointed by the Board shall be deemed to have been appointed attorney of the Transferor with full power to execute, complete and deliver, in the name of and on behalf of the Transferor, transfer(s) of the Sale Shares to the Accepting Transferee(s) against payment to the Company (as agent for the Transferor) in full of the Sale Price, or the portion of the Sale Price equal to the portion of the Sale Shares to be transferred to such Accepting Transferee. On payment to the Company, the Accepting Transferee(s) shall be deemed to have obtained good discharge for this payment. On execution and delivery of the transfers, the Accepting Transferee(s) shall be entitled to have his/their name(s) entered into the register of members as the holder(s) by transfer of the relevant shares so purchased.
- 8.11 The Accepting Transferee(s) shall pay the entire Sale Price to the Company upon transfer of the Sale Shares.
- 8.12 The Company shall pay the Sale Price received, to the Transferor, immediately or the Company shall pay the Sale Price into a separate bank account on trust for the Transferor.
- 8.13 After the name(s) of the Accepting Transferee(s) have been entered into the Company's register of members in exercise of the above provisions, the validity of the proceedings shall not be questioned by any person.
- 8.14 If the offer of all the Sale Shares is not accepted by the Transferee(s) in whole within the Acceptance Period, and having received confirmation from the Company that the

foregoing pre-emption provisions have been exhausted, the Transferor shall be entitled, during the period of one month following the expiry of the Acceptance Period, to transfer all (but not some only) Sale Shares to any person PROVIDED THAT the price per Sale Share obtained upon such transfer shall in no circumstances be less than the Offer Price PROVIDED FURTHER THAT in the event that the Transferor has notified the Company of a Third Party Offeror, such sale may only be to the Third Party Offeror so notified and the Board may require itself to be reasonably satisfied that the Sale Shares not applied for by the Transferee(s) are being transferred in pursuance of a bona fide arm's length independent sale for the consideration stated in the Transfer Notice without deduction, rebate or allowance of any kind to the Third Party Offeror named in the Transfer Notice and, if not reasonably satisfied, may refuse, in their absolute discretion, to register the instrument of transfer. The Board shall be entitled to require the Transferor to furnish to the Company such information and evidence as it may require for such purpose.

8.15 Any member who is an individual may transfer all or any Shares or any beneficial interest therein for whatever consideration to his or her Privileged Relations (as defined in Article 10) or to the trustee or trustees of a Family Trust (as defined in Article 10) (each a "**Permitted Transferee**") and a Permitted Transferee may transfer any of those shares to any other Permitted Transferee. Keith Berry and Donald Kerr may transfer any Shares held by them to any persons who are employees of the Company at the time of transfer.

8.16 Notwithstanding anything to the contrary in these Articles (other than the entitlement of Keith Berry and Donald Kerr to transfer Shares to employees of the Company in accordance with Article 8.15), the directors may decline to register any transfer of any Shares on which the Company has a lien or any transfer of any Share (whether or not a fully paid share) which they consider is not in the best interests of the Company and the directors shall not be bound to give any reason for their opinion.

9. TAG ALONG AND DRAG ALONG RIGHTS

9.1 Without prejudice to the provisions of Article 8, in the event that the other members do not elect to purchase the Sale Shares that are the subject of a Transfer Notice, the Transferor may transfer the Sale Shares held by it to a third party in accordance with and subject to the provisions of Article 8.14 PROVIDED THAT:-

- (a) if the effect of any transfer of Shares by the Transferor would, if completed, enable any person or person connected with each other or persons acting in concert with each other (other than a member at the date of this agreement) to obtain control over that number of Shares which in aggregate confer 50 per cent. or more of the voting rights normally exercisable at general meetings of the Company, each of the other members shall have the option (the "**Tag Along Option**") exercisable by notice in writing (the "**Tag Along Notice**") given to the Transferor within 14 days after the expiry of the offer made pursuant to Article 8.2 to require the Transferor to procure at the same time a purchaser or purchasers for all (but not some only) of the Shares (the "**Tag Along**

Shares")) of such member on the same or no less favourable terms as will be given to the Transferor; and

- (b) if the effect of any transfer of Shares by the Transferor would, if completed, enable any person or persons connected with each other or persons acting in concert with each other to obtain control over that number of Shares which in aggregate confer 50 per cent. or more of the voting rights normally exercisable at general meetings of the Company, the Transferor shall have the option (the **"Drag Along Option"**) exercisable by notice in writing (the **"Drag Along Notice"**) (given to the other members at any time up to the expiry of 14 days from the date on which the transfer is completed) to require the other members to sell all (but not some only) of the Shares held by such members to the transferee (or as it may nominate) on the same or no less favourable terms as will be given to the Transferor.

- 9.2 A Tag Along Notice and a Drag Along Notice, once given, is irrevocable.
- 9.3 If the Transferor is unable to cause the transferee (or its nominee) or the transferees (or their nominees) to purchase all of the Tag Along Shares, then the Transferor shall not be entitled to sell or otherwise transfer any of the Sale Shares to the transferee or transferees.
- 9.4 This Article 9 shall not apply to a transfer in accordance with Articles 8.10 or 8.15.
- 9.5 For the purposes of this Article 9, **"control"** means the right by virtue of holding shares in, or the possession of voting power in or in relation to, the Company or any other body corporate to exercise or procure the exercise of the voting rights attached to the relevant shares.

10. **COMPULSORY TRANSFER OF SHARES**

- 10.1 Article 10 applies when an employee of or consultant to the Company or any of its subsidiaries who is an Ordinary Shareholder ceases for any reason to be an employee of or consultant to the Company or any of its subsidiaries.
- 10.2 In addition to terms defined elsewhere in this Article 10, the following terms shall have the meanings set forth below for the purposes of this Article 10:-

"Family Trust"

means in relation to any individual, (a) a trust or trusts under which no immediate beneficial interest in the Ordinary Shares in question is from time to time vested in any person other than the individual concerned or a Privileged Relation of such individual and no power of control over the voting powers conferred by such Ordinary Shares is from time to time exercisable by or subject to the consent of any person other than the trustees as trustees of the individual concerned or a Privileged Relation of such individual or (b) a corporate entity 100% owned by

such a trust

"Privileged Relation"

means the mother or father, wife or husband, common law husband or wife, children or siblings of an individual

"Subject Holder"

means any employee or consultant or former employee or consultant of the Company or any of its subsidiaries

"Subject Shares"

means Ordinary Shares held by a Subject Holder, a Privileged Relation or the trustees of a Family Trust of a Subject Holder, any entity which directly or indirectly, through one or more intermediaries, is 100% owned by such Subject Holder or, in the case of a consultant, any entity employing such consultant

10.3 Within twelve months after the cessation of his employment or consultancy, the Board may serve notice requiring a Subject Holder and any Holder of Subject Shares of such Subject Holder (or the personal representative or beneficiaries of such employee or consultant in case of death) ("**Compulsory Sellers**") to offer some or all of the Subject Shares of such Subject Holder ("**Sale Shares**") to:

- (a) the Company (subject to the Company being lawfully able to purchase such Sale Shares);
- (b) any existing or prospective employees or consultants of the Company or any of its subsidiaries;
- (c) an Employees' Share Scheme; and/or
- (d) any other person or persons approved by the Board

("Offerees"). The Board's notice may reserve the right of the Board to finalise the identity of the Offerees within one month of the price for the Sale Shares being agreed or certified.

10.4 The Compulsory Sellers shall then offer the Sale Shares to the Offerees, as identified by the Board, free from all liens, charges and encumbrances together with all rights attaching to them on the following terms.

10.5 The price for each Sale Share shall be the price agreed between the Compulsory Sellers and the Board or, if they do not agree a price within 14 days of the Board's notice, the price certified by the Company's auditors, acting as experts and not as arbitrators, to be:

- 10.5.1 in the event that the Subject Holder is a Category 2 Leaver, the market value of the Sale Shares upon the cessation of his employment or consultancy; or
- 10.5.2 in the event that the Subject Holder is a Category 1 Leaver, the nominal amount plus any premium paid on subscription of such Sale Shares or, if less, the amount provided for in Article 10.5.1 above.

The costs of the Company's auditors shall be borne by the Company.

10.6 Within one month after the price has been agreed or certified:

- 10.6.1 the Company shall notify the Compulsory Sellers of the names and addresses of the Offerees and the number of Sale Shares to be offered to each;
- 10.6.2 the Company shall notify each Offeree of the number of Sale Shares on offer to him; and
- 10.6.3 the Company's notices shall specify the price per share and state a date, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed ("**completion date**").

10.7 By the completion date the Compulsory Sellers shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates, to the Company. On the completion date the Company shall pay the Compulsory Sellers, on behalf of each of the Offerees, the agreed or certified price for the Sale Shares to the extent the Offerees have deposited with the Company the requisite funds. The Company's receipt of the price shall be a good discharge to the Offerees. The Company shall hold the price on trust for the Compulsory Sellers without any obligation to pay interest.

10.8 To the extent that the Offerees have not, by the completion date, deposited with the Company funds to pay the agreed or certified price, the Compulsory Sellers shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Compulsory Sellers shall have no further rights or obligations under Article 10 in respect of those Sale Shares.

10.9 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the completion date, the Board may authorise any director to transfer the Sale Shares on the Compulsory Sellers' behalf to each Offeree to the extent the Offeree has, by the completion date, put the Company in funds to pay the agreed or certified price for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his certificates for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.

10.10 Following a cessation of employment or consultancy causing Article 10 to apply to particular Ordinary Shares:

- 10.10.1 those Ordinary Shares may not otherwise be transferred until the Holder can no longer be bound to sell them under this Article 10; and
- 10.10.2 the Holder is not entitled to vote at general meetings of the Company (or of the Holders of Ordinary Shares) in respect of those Ordinary Shares until the Holder can no longer be bound to sell them under this Article 10 unless:
- (a) the Board stipulates otherwise in writing; or
 - (b) they are transferred pursuant to this Article 10.
- 10.11 A "Category 1 Leaver" means a person whose employment or consultancy is terminated as a result of fraud, dishonesty or dealing in bad faith in a manner that constitutes a gross breach of such person's fiduciary duties to the Company, in each case having a material adverse effect on the Company's business, or who, following termination of his employment or consultancy, accepts material employment with a direct competitor of the Company in violation of applicable covenants given by such person to the Company.
- 10.12 A "Category 2 Leaver" means a person who voluntarily resigns (other than by reason of death, ill-health or retirement at normal retirement age), who is dismissed in accordance with the terms of his contract or otherwise in circumstances justifying summary dismissal, or whose employment or consultancy is terminated for any other reason (and who is not a Category 1 Leaver).
- 10.13 During the term of the employment or consultancy of any Subject Holder and for so long thereafter as any Subject Shares of a Subject Holder remain subject to compulsory transfer pursuant to this Article 10, the Subject Shares of a Subject Holder may not be transferred, without prior approval of the Board, in any manner that would cause such Subject Shares not to be Subject Shares following such transfer.

11. TRANSMISSION OF SHARES

- 11.1 If a member dies the survivor or survivors where he was a joint Holder, and his personal representatives where he was a sole Holder or the only survivor of joint Holders shall be the only persons recognised by the Company as having any title to his interest; but nothing in the Articles shall release the estate of a deceased member from any liability in respect of any Share which had been jointly held by him.
- 11.2 A person becoming entitled to a Share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the Holder of the Share or to have some person nominated by him registered as the transferee. If he elects to become the Holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall Execute an instrument of transfer of the Share to that person. All the Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer Executed by the member and the death or bankruptcy of the member had not occurred.

- 11.3 A person becoming entitled to a Share by reason of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the Holder of the Share, except that he shall not, before being registered as the Holder of the Share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the Holders of any class of Shares in the Company.

12. ALTERATION OF SHARE CAPITAL

- 12.1 Subject to the other provisions of these Articles, the Company may by ordinary resolution:-

12.1.1 increase its share capital by new Shares of such amount as the resolution prescribes;

12.1.2 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

12.1.3 subject to the provisions of the Act, sub-divide its Shares, or any of them, into Shares of smaller amount and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and

12.1.4 cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

- 12.2 Whenever as a result of a consolidation of Shares any members would become entitled to fractions of a Share, the directors may, on behalf of those members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to Execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 12.3 Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

13. PURCHASE OF OWN SHARES

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

14. GENERAL MEETINGS

- 14.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21

Clear Days' notice. All other extraordinary general meetings shall be called by at least 14 Clear Days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:-

- 14.1.1 in the case of the annual general meeting, by all the members entitled to attend and vote thereat; and
 - 14.1.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the Shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than 95 per cent in nominal value of the Shares giving that right.
- 14.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
- 14.3 Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the members, to all the persons entitled to a Share in consequence of the death or bankruptcy of a member and to the directors and auditors.
- 14.4 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. PROCEEDINGS AT GENERAL MEETINGS**
- 15.1 No business shall be transacted at any meeting unless a quorum is present. Members present in person or by proxy holding in aggregate more than fifty per cent (50%) of the shares in issue (assuming conversion of all Convertible Securities), shall be a quorum.
- 15.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such day and at such time and place as the directors may determine.
- 15.3 The chairman, if any, of the Board or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 15.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

- 15.5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the Holders of any class of Shares in the Company.
- 15.6 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 15.7 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
- 15.7.1 by the chairman; or
- 15.7.2 by any member present in person or by proxy and entitled to vote.
- 15.8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 15.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 15.10 A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 15.11 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 15.12 No notice need be given of a poll not taken forthwith if the time and place at which it is taken are announced at the meeting at which it is demanded. In any other case at least seven Clear Days' notice shall be given specifying the time and place time at which the poll is to be taken.

- 15.13 A resolution in writing Executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each Executed by or on behalf of one or more members. If a resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly.

16. VOTES OF MEMBERS

- 16.1 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 16.2 No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the Holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.
- 16.3 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 16.4 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it.
- 16.5 An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be Executed by or on behalf of the appointor.
- 16.6 The instrument appointing a proxy and any authority under which it is Executed or a copy of such authority certified notarially or in some other way approved by the directors may:-
- 16.6.1 be left at or sent by post or by facsimile transmission to the Office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

16.6.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and at any time before the time appointed for the taking of the poll; or

16.6.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any director,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

16.7 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

17. CLASS MEETINGS AND VARIATION OF RIGHTS

17.1 Except as otherwise provided by these Articles, the provisions of these Articles relating to general meetings shall apply, with necessary modifications, to any meeting of the Holders of shares of a separate class of Shares.

17.2 Except as otherwise provided in these Articles and subject to the provisions of the Act, all or any of the special rights or privileges for the time being attached to any Share or class of Shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may, either with the prior consent in writing of the Holders of not less than seventy five per cent (75%) of the issued Shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the Holders of Shares of the class duly convened and held (but not otherwise), be varied or abrogated.

17.3 The rights conferred upon the Holders of any Shares shall not be deemed to be varied or abrogated by the creation or issue of further Shares ranking *pari passu* with them.

18. NUMBER OF DIRECTORS

18.1 The Board shall consist of the number of persons (exclusive of alternate directors) specified from time to time by ordinary resolution of the Company; provided, however, that the number of directors shall not be subject to a maximum and the minimum number shall be one.

19. ALTERNATE DIRECTORS

19.1 Any director (other than an alternate director) may appoint any person willing to act, whether or not he is a director of the Company and without the approval of the

directors, to be an alternate director and may remove from office an alternate director so appointed by him.

- 19.2 An alternate director shall, whether or not he is absent from the United Kingdom, be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 19.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires but is reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue in force after his reappointment.
- 19.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors. Any such notice may be left at or sent by post or facsimile transmission to the Office or such other place as may be designated for the purpose by the directors.
- 19.5 Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

20. POWERS OF DIRECTORS

- 20.1 Subject to the provisions of the Act, the Memorandum and Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors which may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 20.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

21. DELEGATION OF DIRECTORS' POWERS

- 21.1 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the

provisions of the Articles regulating the proceedings of directors so far as they are capable of applying. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

- 21.2 The directors who are not for the time being employees of the Company shall constitute a committee of the Board which shall have the exclusive power to approve any contract, agreement or matter involving an employee of the Company.

22. APPOINTMENT AND REMOVAL OF DIRECTORS

- 22.1 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

- 22.2 The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors.

- 22.3 The Holder or Holders of not less than a majority in nominal value of the Shares giving the right to attend and vote at general meetings of the Company may remove a director from office and appoint a person to be a director, but only if the appointment does not cause the number of directors to exceed a number fixed by or in accordance with the Articles as the maximum number of directors. The removal or appointment is effected by notice to the Company signed by or on behalf of the Holder or Holders. The notice may consist of several documents in the like form each signed by or on behalf of one or more Holders and shall be left at or sent by post or facsimile transmission to the Office or such other place designated by the directors for the purpose. The removal or appointment takes effect immediately on deposit of the notice in accordance with the Articles or on such later date (if any) specified in the notice.

23. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 23.1 The office of a director shall be vacated if:-

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

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

23.1.3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or

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

23.1.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have

attended any such meetings instead of him, and the directors resolve that his office be vacated; or

23.1.6 he is removed from office pursuant to Article 22.1.

24. REMUNERATION OF DIRECTORS

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

24.2 A director who, at the request of the directors, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the directors may decide.

25. DIRECTORS' EXPENSES

25.1 The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the Holders of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

26. DIRECTORS' APPOINTMENTS AND INTERESTS

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

26.2 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

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

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

26.2.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any

such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

26.3 For the purposes of Article 26.2:-

26.3.1 a general notice given to the Board or the secretary of the Company on behalf of the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

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

27. DIRECTORS' GRATUITIES AND PENSIONS

The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

28. PROCEEDINGS OF DIRECTORS

28.1 Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the Secretary at the request of a director shall, call a meeting of the directors. Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom, and the Board shall adopt resolutions only with respect to matters included on a written agenda circulated along with such notice. A director may waive the requirement that notice be given to him of a Board meeting, either prospectively or retrospectively.

28.2 Questions arising at a meeting shall be decided by a majority of votes. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. In case of an equality of votes, the Chairman of the Board appointed pursuant to Article 28.5 shall have a second or casting vote.

28.3 A director or his alternate director may participate in a meeting of directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of directors is for the purposes of the Articles deemed to be

validly and effectively transacted at a meeting of the directors or of a committee of directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

- 28.4 The quorum for the transaction of the business of the directors shall be a majority in number of the directors constituting the whole Board from time to time or any other number from time to time fixed by ordinary resolution of the Company, a director and his appointed alternate being considered only one person for this purpose. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 28.5 The directors may appoint one of their number to be the Chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
- 28.6 All acts done by a meeting of directors, or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 28.7 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it has been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director it need not be signed by the alternate director in that capacity.
- 28.8 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him, and Articles 28.1 to 28.7 (inclusive) do not apply.
- 28.9 Without prejudice to the obligation of a director to disclose his interest in accordance with section 317 of the Act, a director may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted.

29. **SECRETARY**

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

30. MINUTES

30.1 The directors shall cause minutes to be made in books kept for the purpose:-

30.1.1 of all appointments of officers made by the directors; and

30.1.2 of all proceedings of meetings of the Company, of the Holders of any class of Shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

31. THE SEAL

The Seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the Seal is affixed, and unless otherwise so determined every such instrument shall be signed by a director and by the Secretary or by a second director.

32. DIVIDENDS

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

32.2 Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

32.3 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

32.4 The directors may deduct from a dividend or other amounts payable to a person in respect of a Share any amounts due from him to the Company on account of a call or otherwise in relation to a Share.

- 32.5 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 32.6 Any dividend or other moneys payable on or in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the Holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the Holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint Holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share.
- 32.7 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
- 32.8 Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

33. ACCOUNTS

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

34. CAPITALISATION OF PROFITS

34.1 The directors may with the authority of an ordinary resolution of the Company:-

- 34.1.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 34.1.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to such sum, and allot the Shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and

any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to members credited as fully paid;

- 34.1.3 resolve that any Shares so allotted to any member in respect of a holding by him of any partly paid Shares rank for dividend, so long as such Shares remain partly paid, only to the extent that such partly paid Shares rank for dividend;
- 34.1.4 make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of Shares or debentures becoming distributable under this Article in fractions; and
- 34.1.5 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, of any Shares or debentures to which they may be entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

34.2 NOTICES

- 34.3 The Company may give any notice to a member either personally, by sending it by post in a prepaid envelope addressed to the member at his registered address, by leaving it at that address, or by sending it by facsimile to a facsimile number notified by such member to the Company in writing. In the case of joint Holders of a Share, all notices shall be given to the joint Holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint Holders. Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address.
- 34.4 A member present, either in person or by proxy, at any meeting of the Company or of the Holders of any class of Shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purposes for which it was called.
- 34.5 Every person who becomes entitled to any Share shall be bound by any notice in respect of that Share which, before his name is entered in the register of members, has been given to the person from whom he derives his title.
- 34.6 A notice sent to a member (or other person entitled to receive notices under the Articles) by post to an address within the United Kingdom is deemed to be given:-
 - 34.6.1 24 hours after posting, if pre-paid as first class, or
 - 34.6.2 48 hours after posting, if pre-paid as second class.
- 34.7 A notice sent to a member (or other person entitled to receive notice under the Articles) by post to an address outside the United Kingdom is deemed to be given five business days after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given.

- 34.8 A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.
- 34.9 A notice sent by facsimile to a number notified by such member to the Company in writing is deemed to be given on the day of transmission. Electronic confirmation of valid transmission shall be conclusive evidence that the notice was given.
- 34.10 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

35. WINDING UP

- 35.1 If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustee upon such trustees for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

36. INDEMNITY

- 36.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:-
- 36.1.1 defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
- 36.1.2 in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 36.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer of employee, of the Company or of a company which is subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or

employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.