

No 1892751

The Companies Acts 1985 to 1989 and 2006

Public Company Limited by Shares

ARTICLES OF ASSOCIATION

(As adopted by special resolution passed on
29 August 1997 and as amended by special resolutions
passed on 17 May 2007 and 15 May 2008)

of

D4T4 SOLUTIONS PLC

Incorporated on the 6th March 1985

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Interpretation

1(A) In these Articles, if not inconsistent with the subject or context, the following words and expressions shall have the meanings stated:

'**AIM**' the Alternative Investment Market of the London Stock Exchange

*'**THE 1985 ACT**' the Companies Act 1985 to the extent (except where otherwise expressly stated) in force from time to time;

*'**THE 2006 ACT**' the 2006 Act to the extent in force from time to time;

'**THESE ARTICLES**' these Articles of Association as from time to time altered or added to by special resolution

'**AUDITORS**' the auditors of the Company

'**BOARD**' or '**DIRECTORS**' the directors of the Company or a quorum of the directors present at a board meeting

'**REGULATIONS**' The Uncertificated Security Regulations 1995

'**debenture**' and '**debenture holder**' include debenture stock and debenture stockholder

'**LONDON STOCK EXCHANGE**' the London Stock Exchange or other principal stock exchange in the United Kingdom for the time being

'**MONTH**' calendar month

'**PAID UP**' paid up or credited as paid up

'**OFFICE**' the registered office of the Company from time to time

'**SEAL**' the common seal of the Company and, as, appropriate, any official seal kept by the Company by virtue of section 40 of the 1985 Act

'**SECRETARY**' the secretary of the Company and/or the assistant or deputy secretary, if any, of the Company and/or any other person, if any, from time to time appointed by the Board to perform any of the duties of the secretary of the Company including without limitation, whereby two or more persons are appointed to act as joint secretary of the Company, both or all of them

*'**STATUTES**' the 1985 Act and the 2006 Act and every other act or statutory instrument concerning limited companies and affecting the Company;

* As amended by Special Resolution passed on 15th May 2008.

'**STOCK EXCHANGE NOMINEE**' as defined in section 185(4) of the 1985 Act

'**TRANSFER OFFICE**' the place where the register of members of the Company is kept from time to time

'**UNITED KINGDOM**' Great Britain and Northern Ireland

*'**IN WRITING**' written, printed, typewritten, or expressed in any other mode representing or reproducing words including in an electronic form (as that expression is used in the 2006 Act) or partly one and partly another.

'**YEAR**' calendar year

- 1(B)(i) Reference to a statutory provision includes any amendment of the re-enactment.
- (ii) Except for the above definitions, words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- (iii) The headings are inserted for convenience and do not affect the construction of these Articles.
- (iv) Words importing the singular shall include the plural and vice versa
- (v) Words importing any gender shall include every gender
- (vi) Word importing persons shall include bodies corporate and unincorporate and (where the context so permits) vice versa
- (vii) Reference to Articles are references to these Articles and references to paragraphs and sub paragraphs are unless otherwise stated references to paragraphs of the Article or sub paragraphs of the paragraph in which the reference appears

Table A excluded

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

Business

- 3 Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such times as they think fit, and may be permitted by them to be in abeyance, whether the branch or kind of business commenced or not, so long as the Directors deem it expedient not to commence or proceed with it.

* As amended by special resolution passed on 17 May 2007.

Registered office

- 4 The Office shall be at such place in England or Wales as the Directors appoint.

Capital

- 5 At the date of adoption of these Articles the capital of the Company is £7,000,000 divided into 6,000,000 shares of 2 pence each and 1,000,000 convertible preferred ordinary shares of 2 pence each.
- 6 (A) Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided in the Company's memorandum of association and in the next following Article), a share (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights or privileges or restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company by ordinary resolution determines.
- 6 (B) Where any shares are issued with voting rights less favourable than other issued shares, then the designation of those shares shall include the words "restricted voting" or "limited voting"; where any shares are issued which do not carry voting rights the words "non voting" shall appear in the designation of such shares.

Modification of rights

- *7 Subject to the provisions of the Statutes, if at any time the capital of the Company is divided into difference classes of shares all or any of the rights attached to any such class may be modified, varied, extended, abrogated or surrendered, unless otherwise provided by the terms of issue of the shares of that class, by special resolution passed at a separate general meeting of the holders (but not otherwise). The resolution shall be binding upon all the holders of shares of the class. To every separate general meeting all the provisions of these Articles relating to, or to the proceedings at, general meetings shall, mutatis mutandis, apply, except that (a) no member shall be entitled to receive notice of a meeting of the holders of a particular class of share or to attend such meeting unless he is the holder of shares of that class and no vote shall be exercised except in respect of a share of that class; (b) the necessary quorum shall be two persons present in person and holding or representing by proxy at least one-third in nominal amount of the issued shares of the class; (c) if any such separate general meeting shall be adjourned by reason of there being no quorum present and at the adjourned meeting a quorum as

* As amended by Special Resolution passed on 15th May 2008.

defined above shall not be present within fifteen minutes after the time appointed for such adjourned meeting, one holder of shares of that class present in person or by proxy shall be a quorum; (d) any holder of shares in the class present in person or by proxy and entitled to vote may demand a poll; and (e) the holders of shares of the class who are present in person or by proxy shall, on a poll, have one vote in respect of each share of the class held by them or (in the case of proxies) one vote for each share in respect of which they are authorised to exercise voting rights. The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the conditions of issue, be deemed to be modified by the creation or issue of further shares ranking pari passu with them.

Shares

- 8 Subject to the provisions of the Statutes and any restrictions contained in these Articles and to any direction to the contrary given by the Company in general meeting, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of shares or rights to subscribe for, or to convert any security into, shares to such persons (including a Director) and on such terms as they think fit, but no share shall be issued at a discount except in accordance with the Statutes.
- 9 The Company, in connection with the issue of any share, may exercise the powers of paying commissions conferred or permitted by the Statutes to the full extent thereby permitted, provided that the percentage rate or the amount of the commission paid or agreed to be paid is disclosed as required by law and does not exceed the rate of 10 per cent of the issue price of the shares in respect of which it is paid. Where permitted by the Statutes, the commission may be satisfied wholly or partly by the allotment of fully or partly paid shares. The Company may also on an issue of shares pay such brokerage as is lawful.
- 10 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust. The Company shall not be bound by or be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except as otherwise provided by these Articles or as by law required or under an order of court) any other rights in respect of any share except an absolute right to the entirety of it in the registered holder

- 11 The Board may at any time after the allotment of any share but before any person has been entered in the register of members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit.

Certificates

- 12 (A) Subject to Article 12(B) every person, except a Stock Exchange Nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate, whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue provide) one certificate for all his shares of each class of shares held by him or, upon payment of such sum not exceeding £1 for every certificate after the first as the Directors determine, several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate. Where a member who is entitled to a certificate has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding free of charge. Every certificate for shares shall be issued under the Seal or in such other manner as the Directors, having regard to the terms of issue, the Statutes and any applicable regulations of the London Stock Exchange, may authorise. The certificate shall specify the shares or securities to which it relates and the amount paid up and (subject as provided below) shall bear the autographic signatures of at least one Director and the Secretary provided that the Directors may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature. In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate. Delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. No certificate shall normally be issued in respect of a share held by a Stock Exchange Nominee.

- 12 (B) A share may be evidenced otherwise than by a certificate subject to and in accordance with the provisions of Article 39.

- 13 If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and any exceptional

out-of-pocket expenses of the Company in investigating the evidence and preparing the indemnity as the Board thinks fit and, in case of defacement, on delivery of the old certificate to the Company.

14 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.

15 If any member surrenders for cancellation a share certificate representing shares held by him and requests 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.

16 In the case of shares held jointly by several persons, any request by a member mentioned in these Articles may be made by anyone or more of the joint holders.

Lien

17 Subject to the provisions of section 150 of the 1985 Act, the Company shall have a first and paramount lien on every share (not being a fully Paid Up share) for all moneys, (whether presently payable or not) called or payable at a fixed time in respect of the share whether the period for the payment has actually arrived or not, and notwithstanding that it is the joint debt or liability of the member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable on or in respect of it, together with any interest or expenses which may have accrued. The Directors may resolve that any share is wholly or in part exempt from the provisions of this Article.

18 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice In Writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled to it by transmission.

19 To give effect to the sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the transferee. The net proceeds of sale, after payment of the costs of sale, shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists, so far as such debts and

liabilities are then due and payable. Any residue shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale.

- 20 A statutory declaration In Writing that the declarant is a Director or the Secretary and that a share has been sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale thereof, together with the share certificate delivered to a transferee thereof (if applicable), shall (subject to the execution of a transfer if required) constitute a good title to the share, and the person to whom the share is sold shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any); nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale of the share. Every Director is authorised to execute on behalf of the member whose share is sold a proper instrument of transfer of the shares.

Calls on shares

- 21 Subject to the terms and conditions of allotment the Directors may make calls upon the members in respect of any moneys (whether on account of the nominal value of the shares or by way of premium) unpaid on their shares provided that no call on any share may be payable within one month following the date fixed for payment of the last call.
- 22 A call shall be deemed to have been made at the time when the resolution of the Directors authorising it was passed.
- 23 If by the terms and conditions of allotment of any share the whole or part of the amount due or issue price thereof is payable by instalments, every such instalment shall, when due, be paid to the Company by any person from time to time registered as the holder of the share.
- 24 Each member shall (subject to receiving at least one month's notice In Writing specifying the time or times and place or payment) pay to the Company at the time or times and place so specified the amount called on his shares. A member to whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call is made. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Board may determine.

- 25 If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on it from the day appointed for payment to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Directors determine. He shall also be liable to pay all costs, charges and expenses which the Company has incurred or become liable for in order to procure payment of or in consequence of the non-payment of the call or instalment. The Directors shall be at liberty to waive payment of the interest, costs, charges and expenses, wholly or in part.
- 26 Any sum which by the terms and conditions of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal value 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 the terms of issue, it becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.
- 27 The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid and the times of payment.
- 28 The Directors may, if they think fit, receive from any member all or any part of the money (whether on account of the nominal value of the shares or by way of premium) unpaid upon the shares held by him beyond the sums actually called up as a payment in advance of calls. The payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced. Upon such money received, (until and to the extent that the same would but for such advance become payable) the Company may pay interest (not exceeding without the consent of a general meeting 10% per annum) at such rate as the member and the Directors agree. The member shall not be entitled to participate in respect of the advance in a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

Transfer of shares

- 29 All transfers of shares may be effected by transfer In Writing in any usual or common form, or in any other form approved by the Directors or authorised by the Statutes.
- 30 Shares may be transferred otherwise than by transfer In Writing (including by means of a relevant system for the purpose of the Regulations) subject to and in accordance with the provisions of Article 39.

31 The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee. The transferor shall remain the holder of the share until the name of the transferee is entered in the register of members in respect of it. Subject to the provisions of these Articles, transfers of shares and other documents relating to or affecting the title to any shares shall be registered without payment of any fee. Subject to, and in accordance with, the provisions of Article 203 all instruments of transfer which are registered shall be retained by the Company.

32 The Directors may, in their absolute discretion and without assigning any reason, decline to register any transfer of, or which includes, shares which are not fully Paid Up. Without prejudice to the foregoing, the Directors may also decline to register any transfer of shares upon which the Company has a lien (whether fully Paid Up or not) and the Directors may also decline to register any transfer of shares, unless:

(a) the transfer, duly stamped (if stampable), is deposited at the Transfer Office or such other place as the Directors may from time to time appoint accompanied by the relevant share certificate or certificates to which it relates, and/or such other evidence as the Directors may reasonably require to show the fact of transfer or the right of the transferor to make the transfer (and, if the transfer is executed by some other person on his behalf, the authority of that person to do so). In the case of a transfer by a Stock Exchange Nominee the lodgment of a certificate or certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question

(b) the transfer is in respect of only one class of share; and

(c) in the case of a transfer to joint holders, they do not exceed four in number.

33 If the Directors refuse to register a transfer they shall, within 2 months after the date on which the transfer or notice of transfer was lodged with the Company, send to the transferee notice of the refusal. Any instrument of transfer which the Directors decline to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it.

34 The register of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors determine and either generally or in respect of any class of shares.

- 35 Subject to section 80 of the 1985 Act, nothing in these Articles shall preclude the Directors from allowing the allotment of any share to be renounced by the allottee in favour of some other person. For all purposes of these Articles relating to the registration of transfers of shares, this renunciation shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect to it as if the renunciation were a transfer.
36. Transfer of shares will not be registered in the circumstances referred to in and subject to Articles 105-106.
- 37 All instruments of transfer which are registered may be retained by the Company.
- 38 No fee shall be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney relating to or affecting the title to any shares.
- 39 Notwithstanding anything to the contrary contained in these Articles where the Statutes (or any regulations made thereunder) (including without limitation the Regulations) permit title to any shares or other securities of the Company to be evidenced or transferred otherwise than by certificate or written instrument the Directors shall have the power to implement such arrangements as it shall see fit regarding such evidence or transfer subject to and in accordance with, the provisions of the Statutes or such regulations.
- 40 [BLANK]

Transmission of shares

- 41 In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 42 Subject to any other provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of the law

may, upon such evidence as to his title being produced to the Company as may be reasonably required by the Directors and subject as provided below, either be registered himself as holder of the share or elect to transfer such share to some other person.

43 Subject to any other provisions of these Articles, if the person becoming entitled as above elects to be registered himself, he shall give to the Company notice In Writing to that effect. If he elects to have some other person registered, he shall execute an instrument of transfer of the share to that person. All the limitations, restrictions and provisions of these Articles relating to the transfer and the right to transfer and the registration of transfers of shares shall be applicable to such notice or transfer as if the event giving rise to the transmission had not occurred and the notice or transfer were a transfer executed by such member.

44 Subject to any other provisions of these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to receive (and give a discharge for) any dividends or other moneys becoming payable and other advantages in respect of the share as if he were the registered holder of the share but shall not otherwise be entitled (otherwise than with the authority of the Directors) to receive notices of or to attend or vote at meetings of the Company or to any of the rights or privileges conferred by membership until he has become registered as a member in respect of the share. The Directors may, however, retain the dividends payable upon shares in respect of which any person is under the foregoing provisions as to the transmission of shares entitled to become a member, or which any person under those provisions is entitled to transfer until such person becomes registered as a member in respect of such shares or duly transfers them. If he fails either to transfer the share or to elect to be registered as a member in respect of it within 60 days of being required by the Directors to do so, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect of them and may be registered accordingly.

Forfeiture of shares

45 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment, the Directors may, whilst any part of the call or instalment remains unpaid, serve a notice on him In writing requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment.

- 46 The notice shall name a further day (not being less than 7 days from the date of the notice) 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 in accordance therewith, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The Directors may accept the surrender of any share liable to be forfeited and, in such case, references in these Articles to forfeiture shall include surrender.
- 47 If the requirements of the notice are not complied with, any share in respect of which it has been given may, at any time thereafter, before payment of all calls and interest and expenses due in respect of it has been made be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.
- 48 A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled to it, or to any other person, upon such terms and in such manner as the Directors think fit. At any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit, subject always to the provisions of section 146 of the 1985 Act. The Board may, if necessary, authorise some person to transfer a forfeited share to any such other person as aforesaid.
- 49 A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all sums which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest from the date of forfeiture until payment at such rate not exceeding 15 per cent per annum as the Directors determine. The Directors shall be at liberty to waive payment wholly or in part and may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 50 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 member 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 Statutes given or imposed in the case of past members.

- 51 When a share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any failure to give notice.
- 52 A statutory declaration In writing 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. The declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal, together with the relevant share certificate delivered to a transferee (if applicable) or allottee shall (subject to the execution of a transfer if required) constitute a good title to the share. The person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (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, or disposal of the share. Every Director is authorised to execute on behalf of the member whose share is forfeited a proper instrument of transfer of the share.
- 53 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if it had been payable by virtue of a call duly made and notified.

Untraced shareholders

- 54 (A) The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission if:
- (i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first date), being a period during which at least three dividends (whether interim or final) have been paid by the Company on or in respect of the shares in question but no such dividend or other monies payable on or in respect of such shares has been claimed by the member or person entitled to it and no cheque, order or warrant in respect of such share sent by the Company through the post in a prepaid envelope addressed to the member or the person entitled by transmission to that share, at his address on the register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed; and

- (ii) the Company after the expiry of the period of 12 years has given notice, by advertisement in both national newspaper and a paper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located, of its intention to sell the shares; and
- (iii) during the period of 12 years and the period of 3 months following the publication of the said advertisements, or following the later publication if two advertisements are published on different dates, the Company has received no indication either of the whereabouts or of the existence of the member or person; and
- (iv) notice has been given to the Quotations Department of the London Stock Exchange of its intention to make the sale.

54(B) To give effect to a sale as provided in Article 54(A) the Company may appoint any Director to execute as transferor an instrument of transfer of the shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for an amount equal to such proceeds and shall enter the name of the former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of it and the Company shall not be required to account for any money earned on the net proceeds, which may 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 Directors may from time to time think fit.

Stock

- 55 The Company may by ordinary resolution convert any Paid-Up shares into stock, or re-convert any stock into Paid-Up shares of any denomination.
- 56 The holders of stock may transfer all or any part thereof in the same manner, and subject to the same regulations as and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit. The Directors may fix the minimum amount of stock (not exceeding the nominal amount of the shares from which the stock arose) which is transferable,

in which case no stock shall be transferable except in sums of, or in multiples of, the minimum amount.

57 The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings and other matters as if they held the shares from which the stock arose. No privilege or advantage (except participation in dividends and in assets on a winding-up) shall be conferred by any stock as would not have been conferred if it existed in shares.

58 All the provisions of these Articles (other than those relating to share warrants) which are applicable to Paid-Up shares shall apply to stock, and the words 'share' and 'shareholder' include 'stock' and 'stockholder'.

Share Warrants

59 The Directors may issue warrants ('share warrants') in respect of fully paid up shares stating that the bearer is entitled to the shares specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in the warrants. The Directors may determine and vary the conditions upon which share warrants are issued and upon which a share warrant or coupon is issued in the place of one worn out, defaced or destroyed. No share warrant or coupon shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. The Directors may also determine and vary the conditions upon which the bearer of a share warrant is entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares specified in it. The Directors may require the holder or person who claims to be the holder of a share warrant to produce his warrant and to satisfy them that he continues to be the holder. Subject to such conditions and to these Articles, the bearer of a share warrant shall be a member to the full extent. The holder of a share warrant shall hold it subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such warrant.

Increase of capital

60 The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution prescribes.

- 61 Unless the Company by ordinary resolution at the general meeting at which the capital is increased otherwise directs, any shares proposed to be issued shall be offered in the first instance in accordance with section 89 of the 1985 Act to all the shareholders for the time being, on the same or on more favourable terms than those offered or to be offered to persons other than shareholders, in proportion to the number of shares of the same class held by them.
- 62 All new shares shall be subject to the Statutes the provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

Purchase of own shares

- 63(A) Subject to, and in accordance with, the provisions of the Statutes and subject to paragraphs (B) and (C), the Company may purchase its own shares (including any redeemable shares) but shall not, except as authorised by the 1985 Act, give any financial assistance for the purpose of an acquisition of its shares, or of reducing or discharging a liability incurred for that purpose.
- *63(B) The Company may not purchase its own shares if at the time of purchase there are outstanding any convertible securities of the Company, unless either there are provisions in the relevant trust deed or terms of issue permitting the purchase or the purchase has been sanctioned by a special resolution passed at a separate class meeting of the holders of the convertible securities.
- 63(C) Purchases by the Company of its own redeemable shares shall, where the shares are listed on the London Stock Exchange or AIM, be limited to a maximum price which, in the case of purchases through the market of redeemable shares other than those which are normally bought and traded in by a limited number of investors who are particularly knowledgeable in investment matters, must not exceed 5 per cent above the average market value for the 10 business days before the purchase is made. If the purchases are by tender, tenders shall be made available to all holders of the shares alike.

Alteration of capital

- 64 Subject to the provisions of the Statutes and these Articles the Company may from time to time by ordinary resolution:
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

* As amended by Special Resolution passed on 15th May 2008.

- (ii) 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 capital by the nominal amount of the shares cancelled, subject to the provisions of sections 146-149 of the 1985 Act; and
- (iii) sub-divide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum of Association (subject nonetheless to the provisions of the Statutes) and the resolution may determine that, as between the holders of the shares resulting from the sub-division, one or more of the shares may (as compared with the others) 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.

65

Upon any consolidation of fully Paid-Up shares into shares of larger amount the Directors may settle any difficulty which arises and in particular may, as between the holders of shares consolidated, determine which shares are consolidated into each consolidated share. In the case of any shares registered in the name or names of one or more members being consolidated with shares registered in the name or names of another member or members, the Directors may make such arrangements for the sale of the consolidated share or for the issue, acceptance or sale of fractional certificates and may sell the consolidated share or the fractions represented by fractional certificates, either upon the market or otherwise, to such person or persons at such times and at such prices as they think fit. The Directors shall distribute the net proceeds of sale among the members rateably in accordance with their interests in the consolidated share or the fractions represented by the fractional certificates. For the purpose of giving effect to a sale the Directors may appoint some person to transfer the shares or fractions sold to the transferees; provided that if the necessary unissued shares are available, the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully Paid-Up by way of capitalisation of reserves, (and without the sanction required in Article 200) the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation), and the amount required to pay up such shares shall be appropriated at the discretion of the Directors from any sums standing to the credit of any reserve account (including without limitation any share premium account, capital redemption reserve or other undistributable reserve) or to the credit of the profit and loss account and capitalised by applying it in paying up such shares.

66 Subject to the Statutes and these Articles the Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and consents required by law (including the Statutes).

Redeemable shares

67 The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Statutes. The special resolution sanctioning the issue shall also make such alterations to these Articles as are necessary to specify the terms on which and the manner in which the shares are to be redeemed.

General meetings

*68 Subject to the provisions of the 1985 Act, an annual general meeting shall be held in each year at such time and place as may be determined by the Directors and shall be specified as such in the notice convening the meeting.

*69 Subject to the provisions of the 1985 Act, the Directors may convene a general meeting whenever they think fit and on the requisition of members in accordance with the Statutes, the Directors shall convene a general meeting. If there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

Notice of general meetings

*70 Subject to the provisions of the Statutes an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Statutes. The notice calling a general meeting shall specify the place, the day and hour of the meeting and the general nature of the business to be transacted (and in the case of a an annual general meeting shall specify the meeting as such) and state with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy or proxies, who need not also be members, to attend and vote instead of him. In the case of

* As amended by Special Resolution passed on 15th May 2008.

special business, the notice must specify the general nature of the business (and, in the case of a meeting convened for passing a special resolution, the intention to propose the resolution as a special resolution). The notice shall be given to the Auditors and the Directors and to such members as are, under these Articles, entitled to receive notices from the Company. The Company shall also comply with the provisions of the Statutes as to giving notice of resolutions and circulating statements on the requisition of members. The Company shall also comply with the provisions of the Statutes as to giving notice of resolutions and circulating statements on the requisition of members.

71 The accidental omission to give notice of any meeting, or to send a form of proxy with a notice where required by these Articles, or the non-receipt of a notice or form of proxy, shall not invalidate the proceedings at any general meeting.

72 The Board shall on the requisition of members in accordance with the Statutes but subject as therein provided:

(a) Give to the members who would, if an annual general meeting were then to be held, be entitled to receive notice thereof notice of any resolution which may properly be moved and is intended to be moved at the meeting so requisitioned; and

(b) Circulate to such members any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution for the business to be dealt with at that meeting.

Proceedings at general meetings

73 All business shall be deemed special that is transacted at a general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring dividends, the reading and consideration and adoption of the accounts and balance sheet and the ordinary reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the re-election of Directors retiring, the election of Directors in the place of those retiring, the voting of remuneration or extra remuneration to the Directors, the appointment of and the fixing of the remuneration of the Auditors and the grant, renewal, limitation, extension or variation of any authority of or to the Board, under section 80 of the 1985 Act, to allot securities.

74 No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Except as otherwise provided in these Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all

purposes. A corporation which is a member shall be deemed to be personally present for the purpose of this Article if represented by its representative duly authorised in accordance with Article 104.

75 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day and such time and place as may have been specified for the purpose in the notice convening the meeting or, if not so specified, as the chairman of the meeting may determine, and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. If at the adjourned meeting a quorum is not present within half an hour of the time appointed therefor the adjourned meeting shall be dissolved.

*76 The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within 15 minutes after the time appointed for holding it, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to be chairman of the meeting or if one Director only is present he shall if willing to act preside as chairman. If no Director is present, or if each of the Directors present declines to take the chair, the members present in person or by proxy and entitled to vote may elect one of their number to be chairman.

77 A Director (and any 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.

78 The chairman of any general meeting at which a quorum is present may, with the consent of any meeting, and shall if so directed by the meeting, adjourn the meeting from time to time or place to place (or sine die) and from place to place, but no business shall be transacted at an adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

79 Without prejudice to any other power he may have under these Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn any meeting from time to time or place to place (or sine die) if he is of the

* As amended by Special Resolution passed on 15th May 2008.

opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

80 Where a meeting is adjourned sine die the time and place for the meeting shall be fixed by the Board. Where a meeting is adjourned for thirty days or more sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

81 Except as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

82 If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

*83 In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

84(A) The Board may, for the purposes of controlling the level of attendance and ensuring the safety of those attending any place specified for the holding of a general meeting, from time to time make such arrangements as the Board shall in their absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place therefor.

84(B) The entitlement of any member or proxy to attend a general meeting at any place specified for the holding of a general meeting shall be subject to any such arrangements that may be for the time being approved by the Board.

84 (C) In the case of any meeting to which arrangements as specified in Article 84 (B) apply, the Board may, when specifying the place of the meeting:

(i) direct that the meeting shall be at the place specified in the notice at which the chairman of the meeting shall preside ("the Principal Place"); and

* As amended by Special Resolution passed on 15th May 2008

(ii) make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under the provisions of these Articles or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of the such other places shall be able to see and hear, and be seen and heard by, persons attending at the Principal Place and at such other places by any means.

85 The arrangements for simultaneous attendance set out in Article 84(C)(ii) above may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles, any such meeting shall be treated as being held and taking place at the Principal Place.

86 The Board may direct that any person wishing to attend at any meeting should submit such searches or other security arrangements or restriction as the Board shall consider appropriate in the circumstances and shall be entitled in their absolute discretion to refuse entry to any meeting to any person who fails to submit to such searches or to otherwise comply with such security arrangements or restriction.

*87(A) A poll on a resolution may be demanded at a general meeting either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll on a resolution may be demanded by:

- (i) the Chairman, or
- (ii) the Directors, or
- (iii) not less than five members having the right to vote at the meeting, or
- (iv) 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 (excluding any voting rights attached to any shares in the Company held as treasury shares), or

* As amended by Special Resolution passed on 15th May 2008.

- (v) a member or members holding shares conferring a right to vote at the meeting on the resolution 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 (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares).
- (B) Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book 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.
- 88 If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it is pointed out at the same meeting, or at an adjournment, and it is, in the opinion of the chairman of the meeting, of sufficient magnitude to vitiate the resolution.
- 89 If a poll is duly demanded, it shall be taken immediately or at such subsequent time and place (not being more than 30 days from the date of the meeting) and in such manner as the chairman directs (including the use of ballot or voting papers or tickets). No notice need be given of a poll not taken immediately. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may appoint scrutineers and may adjourn the meeting to some place and time fixed by him for declaring the result of the poll. The demand for a poll may 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.
- 90 No poll shall be demanded on the choice of a chairman or on any question of adjournment. If a poll is demanded before the declaration of a result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 91 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.
- 92 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 second or casting vote in addition to any votes to which he may be entitled as a member.

Votes of members

- 93 Subject to any special rights or restrictions as to voting from time to time attached to any class of shares by or in accordance with these Articles, and to the provisions of these Articles, at a general meeting on a show of hands every member, who (being an individual) is present in person or present by proxy or (being a corporation) is present by a duly appointed representative not being himself a member, 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.
- 94 Where there are joint holders of a share or shares, anyone of them may vote at any meeting either personally or by proxy in respect of the share as if he were solely entitled to it, but if more than one joint holder is present at a meeting either personally or by proxy, that one of them whose name stands first in the register of members in respect of the share shall alone be entitled to vote in respect of it.
- 95 Where in England or elsewhere a receiver or other person, by whatever name called, has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground, however formulated, of mental disorder, the Board may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company; provided that any evidence so required has been deposited at the Office or such other place, if any, as is specified for the receipt of proxies for the meeting in question not less than forty-eight hours before the time appointed for the holding thereof.
- 96 No member shall unless the Directors otherwise determine, be entitled (save as proxy for another member) to vote either personally or by proxy at a general meeting or a meeting of the holders of any class of shares of the Company or to exercise any other rights conferred by membership in relation to general meetings or a meeting of holders of any class of shares of the Company or generally, to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 97 A member holding unclassified shares shall be entitled to vote at any general meeting in respect of those shares, provided that no ordinary share is in issue.

- 98 No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered. Every vote not disallowed at the meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 99 Votes may be given either personally or by proxy on a show of hands and on a poll. On a poll a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- *100 (A) A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at any meeting of the Company. Delivery of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a member. A member may appoint more than one person as proxy in relation to a meeting and if he does so, he shall specify the number of shares held by him in respect of which each proxy is entitled to exercise rights. References in these Articles to an appointment of proxy shall include references to the appointment of multiple proxies.
- (B) Where two or more valid separate appointments of proxy are received in respect of the same share in relation to the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of such appointments shall be treated as valid in respect of that share. If an appointment of proxy purports to appoint more than one person as proxy to exercise rights attached to the same share in relation to the same meeting, none of such appointments shall be treated as valid in respect of that share.
- *101 The instrument appointing a proxy must be In Writing in any usual or common form or any other form which the Directors may approve but in any event in a form approved by the London Stock Exchange. An instrument appointing a proxy (i) in the case of an individual may be signed by the appointor or his attorney (duly authorised In Writing), or if the appointor is a corporation may be either under its common seal or signed on its behalf by an officer or attorney so authorised; or (ii) may be sent to the Company in electronic form provided the measures approved by the Directors from time to time for the

* As amended by Special Resolution passed on 15th May 2008.

authentication of the appointor are complied with. The Directors may, but shall not be bound to, require any power of attorney or other appointment pursuant to which an instrument of proxy has been executed, or a notarially certified copy thereof, failing previous registration with the Company, to be lodged with the instrument of proxy failing which the instrument may be treated as invalid. A proxy need not be a member of the Company.

*102 An instrument appointing a proxy must be left at such place or one of such places, if any, or submitted to such electronic address, as may be specified for that purpose in the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or, in the case of a poll taken more than forty-eight hours after it is demanded, not less than forty-eight hours before the time appointed for the taking of the poll. Where a poll is not taken forthwith but is taken more than forty-eight hours after it was demanded, a proxy must be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director. An instrument appointing a proxy which is not deposited, or sent in electronic form or delivered in a manner so required shall not be treated as valid. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; provided that an instrument appointing a proxy relating to more than one meeting (including without limitation any adjournment thereof), having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

103 A vote cast or poll demanded by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made or by the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation or transfer has been received by the Company at the Transfer Office at least twenty-four hours before the beginning of the meeting or adjourned meeting or in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting, the time appointed for the taking of the poll at which the vote is cast. No instrument appointing a proxy shall be valid after the expiry of twelve months from the date of signature or 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 twelve months from such date.

* As amended by Special Resolution passed on 15th May 2008.

*104 Any corporation (other than the Company itself) which is a member of the Company may, by a resolution of its Directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company, or at any separate of the holders of any class of shares, and, subject to the terms of this Article, the corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person or persons so authorised is present at it. Where the corporation authorises only one person, he is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company. Where the corporation authorises more than one person, any of them is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company and all of them may speak at the meeting, save that if more than one of them purports to exercise a power (other than the power to speak at the meeting) on behalf of the corporation then, subject to the 2006 Act (including, if applicable, section 152 of the 2006 Act):

- (i) if they purport to exercise the power in the same way, the power is treated as exercised in that way;
- (ii) if they do not purport to exercise the power in the same way, the power is treated as not exercised.

Disclosure of Interest in Shares

105. If a member, or a person appearing to be interested in shares held by a member, has been duly served with a notice under section 212 of the 1985 Act (or any other relevant statutory provisions from time to time in force relating to the power of a company to require information with respect to interest in its shares and other securities) and is in default for the prescribed period (which must not be less than 14 days) in supplying to the Company the required information, the Directors may at any time, by notice (a 'Direction Notice') to the member, direct that in respect of the shares in relation to which the default occurred (the 'Default Shares') the member is not entitled (save as proxy for another member) to vote, either personally or by proxy, at a general meeting or a meeting of the holders of any class of shares of the Company or to exercise any other rights conferred by membership in relation to general meetings or a meeting of the holders of any class of shares of the Company or generally to exercise any privilege as a member unless the Directors otherwise determine.

* As amended by Special Resolution passed on 15th May 2008.

- 106 Where the Default Shares represent at least 0.25 per cent in nominal value of the issued shares or, if at any time the share capital is divided into different classes of its shares, 0.25% in nominal value of the issued shares of their class, the Direction Notice may additionally direct:
- (i) that any dividend or other money (including shares issued in lieu of dividends) which would otherwise be payable in respect of each of the default shares shall (in whole or part) be retained by the Company without any liability to pay interest on it ;
 - (ii) that no transfer of the Default Shares which is not an approved transfer shall be registered unless:
 - (a) the member is not himself in default as regards supplying the information required; and
 - (b) the member proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares subject to the transfer.
- 107 The Company shall send a copy of the notice to each other person appearing to be interested in the shares the subject of a Direction Notice but the failure or omission by the Company to do so shall not invalidate the notice. Where, on the basis of the information obtained from a member in respect of shares held by him the Company issues a notice pursuant to the relevant statutory provisions referred to in Article 105 to any other person, it shall at the same time send a copy of the notice to that member. The accidental omission to do so, or non receipt by the member shall not invalidate or otherwise affect application of Article 105.
- 108 Where the sanctions under Articles 105 and 106 apply in relation to any shares, they shall cease to have effect and any dividends withheld under Article 105 shall become payable at the end of the period of seven days (or such shorter period as the Board may determine) :
- (a) following receipt by the Company of notice that such shares have been transferred by means of an approved transfer to a third party but only in respect of the shares transferred; or
 - (b) following receipt by the Company of the information required by the notice mentioned in that paragraph and the Board being fully satisfied that such information is full and complete.
- 109 For the purpose of Articles 105 to 108:
- (i) a person shall be treated as appearing to be interested in shares if the member holding the shares has given to the Company notification under section 212 of the 1985 Act which either (a) names that person

as being interested; or (b) fails to establish the identities of those interested in the shares and (after taking into account the notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

- (ii) "interested" shall be construed as it is for the purpose of section 212 of the 1985 Act
- (iii) the prescribed period is 14 days from the date of service of the notice; and
- (iv) a transfer of shares is an "approved transfer" if:
 - (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for the Company (within the meaning of section 428 of the 1985 Act); or
 - (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in the shares; or
 - (c) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.
- (v) reference to a person having failed to give the Company the information required by a notice, and references to his being in default as regards supplying such information, includes a reference:
 - (i) to his having failed or refused to give all or any part of it; and
 - (ii) to his having given information which he knows to be false in the material particular or having recklessly given information which is false in a material particular.

110 Nothing contained in this article shall limit the power of the Directors under section 216 of the 1985 Act.

Directors

111 Unless and until determined by ordinary resolution of the Company in general meeting the Directors (disregarding alternate directors) shall not be less than two or more than ten in number.

- 112(A) The Directors (other than Directors holding executive office or alternate directors) shall be paid such fees for their services in their offices as Directors as are determined by the Directors. The aggregate of the fees (excluding amounts payable under any other provision of these Articles and excluding value added tax) shall not exceed £100,000 per annum (which figure shall be subject to upward only adjustment in line with any percentage increase in the retail prices index after the date of adoption of these Articles) or such higher amount as decided by ordinary resolution of the Company. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or general meetings of the Company or otherwise in connection with the discharge of their duties.
- 112(B) A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and subject to Section 319 of the 1985 Act on such terms as to remuneration and otherwise as the Board shall arrange. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor or Auditors of the Company.
- 113 An Executive Director shall subject to the provisions of any contract between him and the Company, otherwise be subject to the same provisions as to resignation and removals as the other Directors.
- 114 The Company may from time to time, in addition to or in substitution for any Executive Director or otherwise, appoint any persons as managers and may also appoint any persons, whether Directors or not, as trustees, agents or representatives of the Company, or to any other special office, and for such purposes as the Board think fit, and on such terms as to remuneration (in the case of Directors either in addition to their remuneration as Directors or not) whether by way of salary or commission or participation in profits or otherwise or by any or all of those methods, and subject to such regulations, and with such powers, as the Board may determine.
- 115 No shareholding qualification for Directors is required, but Directors shall nevertheless be entitled to hold shares and whether or not they hold any shares, to receive notice of and attend and speak at general meetings and at meetings of the holders of any class of shares.
- 116 The office of a Director shall be vacated in any of the following events, namely:

- (i) if (not being an Executive Director whose contract precludes resignation) he resigns his office by notice In Writing left at the Office or if he offers In Writing to resign and the Board resolve to accept such offer;
- (ii) if he becomes bankrupt or has a receiving order made against him or makes any arrangements or compounds with his creditors;
- (iii) if he is absent from meetings of the Directors for 6 months without leave, and his alternate Director (if any) does not during that period attend in his stead, and the Directors resolve that his office should be vacated;
- (iv) if he ceases to be a Director by virtue of any provision of the 1985 Act or if he becomes prohibited by law from acting as a Director;
- (v) 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 for the appointment of a receiver or other person, by whatever name called, to exercise powers with respect to his property and affairs; or
- (vi) If, in the case of an Executive Director, the duration of his appointment expires or his appointment is terminated or revoked; or

117 A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company is interested, and (unless otherwise agreed In Writing) shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in that company. The Board may cause the voting power conferred by the shares in another company held or owned by the Company to be exercised in such manner as it thinks fit, including the exercise in favour of a resolution appointing any of the Directors to be directors or officers of that company, or voting or providing for the payment of remuneration to the directors or officers of that company.

118 A Director shall not vote or be counted in the quorum on a resolution of the Board concerning his own appointment as the holder of an office or place of profit with the Company or another company in which the Company is interested (including the arrangement or variation of its terms or its termination).

- 119 No person shall be disqualified from being appointed or elected or re-appointed or re-elected a Director in accordance with the provisions of these Articles by reason of his attaining or having attained the age of seventy years or any other age, nor shall any Director be liable to vacate his office by reason of his attaining or having attained the age of seventy years or any other age, and the Company shall not be subject to section 293 of the 1985 Act.
- 120 Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms or the termination of the appointment) of two or more Directors to offices or employments or places of profit with the Company or any company in which the Company is interested such arrangements may be divided, and a separate resolution may be put in relation to each Director. In such cases, each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of its terms or its termination) and except (in the case of an office or employment or place of profit with another company) where the other company is a company in which the Director owns 1 per cent or more of any class of the issued equity share capital or the voting rights in that company.
- *121 Subject to the Statutes and to Articles 122 and 123 no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or employment or place of profit or as vendor or purchaser or in any other manner nor, subject to the interest of the Director concerned being duly declared as required by Article 122 and to the Director's compliance with the terms of any requisite authorisation given under Article 123, shall any contract or arrangement in which a Director is interested be liable to be avoided. The Director concerned shall not be liable to account to the Company or the members for any remuneration, profit or other benefits realised by the contract or arrangement by reason of his holding that office or of the resulting fiduciary relationship.
- 122 Without prejudice to the requirements of the Statutes, a Director, including an alternate Director, who is in any way whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board. In the case of a proposed contract the declaration shall be made at the meeting of the Board at which the question of entering into the contract is first taken into consideration or, if the Director

* As amended by Special Resolution passed on 15th May 2008

was not at the date of that meeting interested in the proposed contract, at the next meeting of the Board held after he became so interested. In the case where the Director becomes interested in a contract 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 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. For the purposes of this Article a general notice given to the Board by a 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 that company or firm, or he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him (within the meaning of Section 346 of the 1985 Act) shall (if such Director shall give the same 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. In this Article the expression "contract" shall be construed as including any transaction or arrangement, whether or not constituting a contract.

- *123 (A) For the purposes of Section 175 of the 2006 Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- *123 (B) Authorisation of a matter under this Article shall be effective only if:
- (i) the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may approve;
 - (ii) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the 'Interested Directors'); and
 - (iii) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

* As amended by Special Resolution passed on 15th May 2008.

- *123 (C) Any authorisation of a matter pursuant to this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- *123 (D) Any authorisation of a matter under this Article shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.
- *123 (E) The provisions of this Article shall take effect on 1st October 2009 or any earlier date on which Section 175 of the 2006 Act comes into effect.
- *124 (A) Subject to Article 124 (B) and a Director declaring his interest in accordance with Article 122 and obtaining any requisite authorisation under Article 123, and subject also to the Statutes a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or employment or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in any professional capacity for the Company or any such other company and be remunerated therefor
- 124 (B) Except as otherwise provided by these Articles and the Statutes, a Director shall not be entitled to vote on any resolution of the Board concerning a contract transaction or arrangement or proposed contract transaction or arrangement or any other proposals whatever in which (including any interest of any person connected with him within the meaning of section 346 of the 1985 Act) he is to his knowledge, directly, or indirectly, materially interested (other than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company) and shall not be counted in reckoning whether a quorum is present at any meeting at which any such matter is considered or decided. If he does, his vote shall not be counted. Subject to the provisions of the Statutes a Director shall (in the absence of some material interest other than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

* As amended by Special Resolution passed on 15th May 2008.

- (i) a contract or arrangement for giving to the Director security or a guarantee or indemnity in respect of
 - (a) money lent by him or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- (ii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is, or may be, entitled to participate as a holder of securities or in the underwriting or subunderwriting of which the Director is to participate;
- (iii) relating to another company in which he (together with the persons connected with him within the meaning of section 346 of the 1985 Act) does not hold an interest in shares (as that term is used in Part VI of the 1985 Act) representing 1 per cent or more of any class of the issued equity share capital or of the voting rights in that company;
- (iv) relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which has been approved by the Inland Revenue or is conditional upon that approval or does not award him any privilege or benefit not awarded to the employees to whom the scheme relates; or
- (v) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or the benefit of persons including Directors.
- (vi) any matter approved or permitted by the London Stock Exchange from time to time.

125 Where a company in which a Director owns 1 per cent or more of any class of issued equity share capital or of the voting rights in that company is materially interested in a transaction, he shall also be deemed materially interested in the transaction.

126 If any question arises at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of a Director (in each case, other than the chairman of the meeting) to vote or be counted in the quorum

and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, it shall be referred to the chairman of the meeting. His ruling shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to the Director has not been fairly disclosed to the Board. If the question relates to the chairman of the meeting, it shall be decided by a resolution of the Board (for which purpose the chairman shall be counted in the quorum but may not vote). The resolution shall be final and conclusive except in a case where the nature or extent of the interest of the chairman as known to him has not been fairly disclosed to the Board.

127 For the purpose of these Articles an interest of a person who is for the purpose of the 1985 Act (excluding any statutory modifications of the 1985 Act not in force when this Article becomes binding on the Company) connected with a Director shall be treated as an interest of the Director and, in relation to an alternative Director, an interest of this appointer shall be treated as an interest of the alternative Director without prejudice to any interest which the alternative Director otherwise has.

*128 The Company may by a special resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Directors or of a committee of the Directors or may ratify any transaction not duly authorised by reason of contravention of any such provision.

Powers of directors

129 The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company (including without limitation those set out in the memorandum of association, and the power conferred by section 719 of the 1985 Act) as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, but subject to any regulations of these Articles, to the provisions of the Statutes, and to such regulations, which are not inconsistent with those regulations or provisions, as may be prescribed by ordinary resolution of the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if the regulation had not been made. The general powers given by this Article are not limited or restricted by any special authority or power given to the Directors by any other Article.

* As amended by Special Resolution passed on 15th May 2008.

130 The Directors may delegate to:-

- (a) any committee under Article 162
- (b) any executive Director of the Company
- (c) any local board established under Article 159
- (d) any agent or agency appointed under Article 159
- (e) any attorney appointed under Article 132
- (f) any manager trustee agent or representative under Articles 114 and 161

such of the powers, authorities and discretions vested in the Directors on such terms and to such extent as the Directors shall from time to time consider appropriate (including the power to sub-delegate). Any such delegation may be annulled revoked discharged withdrawn altered or varied by the Directors at any time, but no person dealing in good faith and without notice of such annulment or variation shall be concerned with or affected by it.

131 The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company is interested shall be carried on by or through one or more subsidiaries. They may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business or for financing, assisting or subsidising any subsidiary or guaranteeing its contracts, obligations or liabilities. They may appoint, remove and reappoint any person (whether a member of their own body or not) to act as a director, managing director or manager of a subsidiary or any other company in which the Company is interested, and may determine his remuneration (whether by way of salary, commission on profits or otherwise). A Director may retain any remuneration payable to him in respect of the appointment.

132 The Directors may by power of attorney appoint any company, firm or person or fluctuating body of persons whether nominated directly or indirectly by the Board, to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they think fit. The power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may authorise the attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

133 The Directors may procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or

arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, benefits or emoluments to, any person (including directors and other officers whether of the Company or of any other company referred to in this paragraph) who is or has been in the employment of the Company, or of any company which is a subsidiary of the Company or a predecessor in business of the Company or a subsidiary, or of any allied or associated companies of the Company or any such companies and the spouses, widows, widowers, families, dependants or connections of any such persons. No pension, annuity or other allowance or benefit (except as provided for by or in accordance with any other Article) shall be granted to a Director or former Director who has not been an executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of a Director or former Director, without the approval of an ordinary resolution of the Company.

- 134 The Directors may establish, maintain and give effect to any scheme approved by an ordinary resolution for the allotment of or the grant of options to subscribe for shares of the Company to persons (including Directors) in the employment of the Company or any subsidiary of the Company and may exercise all the powers conferred on them by the scheme (including any power to alter or add to its provisions). These Articles shall be deemed to be modified so far as may be necessary to give effect to the scheme in respect of any shares in issue or under option.
- 135 The Board shall have the power at any time and from time to time, as they may see fit and in whatever manner may seem expedient, upon the sale or transfer of the whole or any part of the Company's undertaking or business to exercise all or any of the powers of the Company contained in the memorandum of association to make any payment of payments to or for the benefit of, or otherwise provide for, all or any of the employees of the undertaking or business, or part thereof, so sold or transferred or of the wives, widows, families, dependants or personal representatives of all or any of such employees.
- 136 The Directors may procure any of the matters referred to in Articles 133-135 are done by the Company either alone or in conjunction with any other company.
- 137 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed in such manner (including without limitation in the case of cheques or

warrants some method of mechanical signature) as the Directors may from time to time determine.

Borrowing

138 The Board may exercise all powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets, present and future, and uncalled capital of the Company and subject to the Statutes to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. 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 and subsidiary undertakings so as to secure (but as regards subsidiaries and subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate principal amount (including without limitation any fixed or minimum premium payable on final payment) at any one time outstanding of all Moneys Borrowed or secured by the Company and/or any of its subsidiaries and subsidiary undertakings (exclusive of moneys outstanding in respect of borrowing by the Company from any such subsidiary or subsidiary undertaking or by any such subsidiary or subsidiary undertaking from another such subsidiary or subsidiary undertaking or from the Company) shall not at any time without the previous sanction of the Company in general meeting exceed an amount equal to 2.5 times the Adjusted Capital and Reserves.

139 For the purpose of Article 138:

- (a) No Moneys Borrowed shall be included in the same calculation more than once;
- (b) Moneys Borrowed by a subsidiary undertaking or partly-owned subsidiary (after taking into account any exclusion provided for in Article 138) shall be deemed to be reduced by an amount equal to the Non-Equity Proportion thereof;
- (c) Moneys Borrowed by the Company or a subsidiary or a subsidiary undertaking from a subsidiary undertaking or partly-owned subsidiary which would fall to be excluded under Article 138 shall nevertheless be included to the extent of an amount equal to the Non-Equity Proportion thereof;
- (d) "Non-Equity Proportion" means the proportion of the issued equity Share capital of the subsidiary undertaking or partly-owned subsidiary which is not attributable to the Company;
- (e) Where the Company has guaranteed or given security for or an indemnity in respect of Moneys Borrowed by a subsidiary or a subsidiary undertaking or where a subsidiary or subsidiary undertaking has guaranteed or

given security for or an indemnity in respect of Money Borrowed by the Company or another subsidiary or subsidiary undertaking such Moneys Borrowed shall be treated as the Moneys Borrowed of whichever of such companies would cause the aggregate amount referred to in Article 138 to be the higher;

(f) "Moneys Borrowed" includes:

(i) The nominal amount of any issued share capital, and the principal amount of any debentures or other borrowed moneys, the beneficial interest wherein is not at any material time owned by the Company or a subsidiary or subsidiary undertaking, of any person the payment of repayment whereof is guaranteed or is secured by or is subject to any indemnity given by the Company or any subsidiary or subsidiary undertaking;

(ii) The principal outstanding amount raised by acceptances by a bank or accepting house under any acceptance credit opened or granted in favour of the Company or any subsidiary or subsidiary undertaking;

(iii) The principal amount of any debentures (whether secured or not) issued by the Company or any subsidiary or subsidiary undertaking the beneficial interest wherein is not at any material time owned by the Company or a subsidiary or a subsidiary undertaking; and

(iv) the nominal amount of any issued share capital (other than equity share capital) of any subsidiary or subsidiary undertaking the beneficial interest wherein is not at any material time owned by the Company or another subsidiary or subsidiary undertaking;

But does not include:

(v) Any moneys borrowed by the Company or a subsidiary or subsidiary undertaking for the purpose of repaying or discharging within six months the whole or any part of Moneys Borrowed (including without limitation any fixed or minimum premium payable on final repayment) by the Company or any subsidiary or subsidiary undertaking which fall to be taken into account as Moneys Borrowed pending their application for such purpose within such period;

(g) All Moneys Borrowed which fall to be repaid or discharged in a currency other than sterling shall be translated into sterling on the same basis as that adopted in the latest audited consolidated balance sheet of the Company and its subsidiaries and subsidiary undertakings or, in the case of any Moneys

Borrowed since the date of such balance sheet, at the relevant rate of exchange ruling in London at the time the same was borrowed or, in the case of any Moneys Borrowed by any company becoming a subsidiary or subsidiary undertaking since the date of such balance sheet prior to the date of it becoming a subsidiary or subsidiary undertaking on the same basis as that which would be adopted in the next audited consolidate balance sheet of the Company and its subsidiaries and subsidiary undertakings on the assumption that in the meantime there had been no alteration of the relevant rates of exchange ruling on the date of such company becoming a subsidiary or subsidiary undertaking;

(h) "Adjusted Capital and Reserves" means the aggregate of:

- (i) The amount Paid Up on the issued share capital of the Company; and
- (ii) The amounts standing to the credit of reserves including without limitation any share premium account, capital redemption reserve, tax equalisation account and credit balance on profit and loss account and any unappropriated balance of investment grants) of the Company and its subsidiaries and subsidiary undertakings;

All as shown by a consolidation of the then latest audited balance sheets of the Company and its subsidiaries and subsidiary undertakings but:

- (iii) Deducting therefrom any amounts attributable to intangible assets including goodwill and the amount of any debit balance on profit and loss account;
- (iv) Excluding therefrom any amounts set aside for taxation, other than for tax equalisation, and amounts attributable to any Non-Equity Proportion in respect of any subsidiary or subsidiary undertaking;
- (v) Deducting therefrom any amount distributed or proposed to be distributed to persons other than the Company or a subsidiary or subsidiary undertaking out of profits accrued prior to the date of and not provided for in the said audited balance sheets; and
- (vi) Making such adjustment as may be appropriate to reflect any variation in the amount of such Paid Up share capital or the amounts standing to the credit of such reserves other than profit and loss account since the date of the relevant balance sheets or which would result from any transaction for the purpose of which the amount of Adjusted Capital and Reserves is being computed or any transactions to be carried out contemporaneously therewith and so that for this purpose, if any issue or proposed issue of shares for

cash has been underwritten, then such shares shall be deemed to have been issued and that part of any subscription moneys to which the underwriting commitment extends shall be deemed to have been Paid Up at the date on which the issue of such shares was underwritten; and

(i) Reference to subsidiaries and subsidiary undertakings are to subsidiaries and subsidiary undertakings from time to time of the Company.

140 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the limit imposed by Article 138 is observed, and no debt or borrowing incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

141 A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive for the purposes of this Article.

Executive directors

142 The Directors may appoint one or more of their number to an executive office (including the office of chairman, vice-chairman, managing Director, joint managing Director, assistant managing Director or manager or any other salaried office) and may enter into an agreement or arrangement with such Director for his employment by the Company or for the provision of services outside the scope of the ordinary duties of a director. The appointment agreement or arrangement may be made for such period and on such terms as the Directors determine. A Director appointed as such is in these Articles referred to as an "Executive Director". An executive Director's office as a Director shall determine automatically on the termination of his appointment as an executive Director for whatever reason.

143 An Executive Director shall without prejudice to Article 142 receive such remuneration (whether by way of fixed salary, commission or participation in profits of the Company (or of any other company in which the Company is interested) or otherwise or by any or all of those methods), as the Directors determine. The remuneration shall, unless otherwise agreed, be additional to such remuneration (if any) as is payable to him as a Director. The Executive Director shall be a director for the purposes of and subject to the provisions of section 319 of the 1985 Act.

144 The Directors may entrust to and confer upon an Executive Director any of the powers exercisable by them as Directors 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 revoke, withdraw or vary any of the powers.

Rotation of directors

145 At every annual general meeting any Directors who are bound to retire under Article 152 and one-third of the other Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office by rotation; A Director retiring at a meeting shall retain office until the close of the meeting.

146 The Directors to retire on each occasion shall include, so far as necessary to obtain the number required, any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last election or appointment but, as between persons who became or were re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting. No Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

147 A retiring Director shall be eligible for re-election.

148 Subject to the provisions of these Articles, the Company at the meeting at which a Director retires may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall, be deemed to have been re-elected, unless at the meeting it is expressly resolved not to fill the vacated office or a resolution for the re-election of the Director is put to the meeting and lost, or such Director has given notice In Writing to the Company that he is unwilling to be re-elected, or the default is due to the moving of a resolution in contravention of Article 149.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost, and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office, and be deemed to continue, without a break.

149 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it, and any resolution moved in contravention of this Article 149 shall be void.

150 No person other than a Director retiring at the meeting shall be eligible for appointment as a Director at any general meeting unless recommended by the Board for re-election or unless within the prescribed time before the date appointed for the meeting there has been lodged at the Office notice In Writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice In Writing signed by the person to be proposed indicating his willingness to be elected and giving those particulars of the person to be proposed which would, if he were so appointed, be required to be included in the register of Directors. The prescribed time mentioned above shall be such that, between the date when the notice is served or deemed to be served and the day appointed for the meeting, there shall be not less than seven nor more than forty-two clear intervening days.

151 The Company may, in accordance with and subject to the provisions of the Statutes by ordinary resolution of which special notice has been given, remove any Director from office including any executive director and notwithstanding any provision of these Articles or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement before the expiration of his period of office or appointment and may by ordinary resolution appoint another person in place of a Director so removed from office. The person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

152 The Company may by ordinary resolution appoint any person as an additional Director of the Company. Without prejudice thereto, the Board shall have the power at any time to appoint any person as an additional Director of the Company, but the total number of Directors shall not thereby exceed the maximum number, if any, fixed by or in accordance with these Articles. Any person so appointed by the Board shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

153 The appointment of any Director to an Executive office shall not automatically determine if he ceases to be a Director,

unless the contract or resolution under which he holds office otherwise provides, in which event the determination if his executive office shall be without prejudice to any claim he may have for damages for breach of any agreement between him and the Company.

Proceedings of directors

- 154 Subject to these Articles, 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 and in case of an equality of votes the chairman shall have a second or casting vote. A Director may at any time, and the Secretary on the requisition of a Director shall, summon a Board meeting and notice thereof shall be given to all the Directors.
- 155 Notice of a Board meeting may be given to a Director 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 during his absence are sent to him in writing at his last known address or any other address given by him to the Company for this purpose. In the absence of a request it shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom. A Director may waive notice of a meeting either prospectively or retrospectively.
- 156 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless fixed at any other number, shall be two.
- 157 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board. If and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company, but not for any other purpose. If there are no Directors or no Director able or willing to act, any two members may summon a general meeting of members for the purpose of appointing Directors.
- 158 If the Directors have not appointed a chairman or vice-chairman pursuant to Article 142 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 the Board at which he is present. If there is no Director holding that office or if at any meeting neither the chairman nor the vice-chairman is present within 5 minutes after the

time appointed for holding it, the Directors present may choose one of their number to be chairman of the meeting.

159 The Board may establish 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 the local boards, or to be managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than the power to borrow and make calls), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies and to act notwithstanding vacancies. An appointment or delegation may be made upon such terms and subject to such conditions as the Board thinks fit. The Board may remove any person appointed as above and may revoke or vary any delegation, but a person dealing in good faith and without notice of the revocation or variation shall not be affected by it.

160 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Directors.

161 The Directors may delegate any of their powers and discretions to any managers, trustees, agents or representatives of the Company for the efficient conduct of the business of the Company or any special business who shall in the exercise of the powers and discretions delegated to it conform to any regulations that are imposed by the Directors and may from time to time revoke, discharge, withdraw, alter or vary all or any of such powers or discretions.

162 The Board may delegate any of their powers and discretions (other than any powers or discretions to borrow money and make calls) to committees consisting of one or more members of their body and, if thought fit, one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers and discretions so delegated conform to any regulations which may from time to time be imposed by the Board of Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee, but:

(a) The number of co-opted members shall be less than one-half of the total number of members of the committee; and

(b) No resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

163 The meetings and proceedings of a committee consisting of two or more members shall be governed by the provisions of these

Articles regulating the meetings and proceedings of the Directors, so far as they are applicable and are not superseded by any regulations made by the Directors under Article 162.

- 164 A member of the Board, or of a committee of the Board, may participate in a meeting of the Board or the committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 165 A resolution In Writing, signed by all or a majority of the Directors entitled to notice of a meeting of the Directors or by all of the members of a committee, shall be as valid as if it had been passed at a Board meeting or a meeting of the committee duly called and constituted. The resolution may consist of several documents in the like form each signed by one or more of the Directors or members of the committee. For the purpose of this Article, the signature of an alternate Director entitled to notice of a meeting of Directors shall suffice in lieu of the signature of the Director appointing him.
- 166 All actions done by any Board meeting, or meeting of a committee of Directors, or by a person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any Director, or of the 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 each of them had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.
- 167 The Directors may appoint any person to an office or employment having a title including the word 'director' or attach such a title to any existing employment with the Company and may terminate the appointment or the use of the title. The inclusion of the word 'director' in the title of any office or employment (other than the office of managing or joint managing or deputy or assistant managing director) does not imply that the employee is a Director and the employee shall not as a result be empowered in any respect to act as a Director or be deemed to be a Director for any of the purposes of these Articles.

Secretary

168 The Secretary being a person suitably qualified in accordance with the Statutes shall be appointed by the Directors at such remuneration and upon such terms as they think fit. The Secretary may be removed by the Directors. Any Secretary so appointed may at any time be removed from office by the Board but without prejudice to any claim for damages for any breach of contract of service between him and the Company. If thought fit, two or more persons may be appointed jointly as Secretary.

169 A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

The seal

170 The Seal shall be used only 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. Unless otherwise determined and except as provided in Article 12, it shall be signed by a Director and by the Secretary or by a second Director or some other person approved by the Board.

171 The Company may exercise the powers conferred by section 39 of the 1985 Act with regard to having an official seal for use abroad, and by section 40 of the 1985 Act with regard to having an official seal for the use for sealing securities and the powers shall be vested in the Board or some other person approved by the Board.

172 A document signed by a Director and by the Secretary or another Director and expressed, in whatever form of words, to be executed by the Company shall have the same effect as if it were under seal. A document executed in this way which makes it clear on its face that it is intended to be a deed, in whatever form of words, has effect, upon delivery, as a deed.

Authentication of documents

173 Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts. Where any books, records, documents or accounts are elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody of them

shall be deemed to be a person appointed by the Directors under this Article.

Alternate directors

- 174 A Director may appoint any person who is approved by the Board to be an alternate Director, and may remove from office an alternate Director appointed by him.
- 175 An alternate Director shall be entitled (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any of the meetings 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 the appointor. When acting also as a Director or as an alternate Director for more than one Director, an alternate Director shall have one vote for every Director he represents, in addition to his own if he is himself a Director, and, where the quorum exceeds two, he shall be considered as two Directors for the purpose of making a quorum.
- 176 An alternate Director shall cease to be an alternate Director if his appointor ceases for any reason to be a Director. If a Director retires by rotation but is re-elected by the meeting at which the retirement takes effect, an appointment made by him under this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not retired.
- 177 All appointments and removals of alternate Directors shall be effected by notice in writing by the Director making or revoking the appointment given to the Company at the office or at a duly convened and held meeting of the Board.
- 178 An alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director. He shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as his appointor by notice in writing to the Company directs. He shall not otherwise in respect of the appointment be entitled to receive any remuneration from the Company. An alternate Director may be indemnified by the Company to the same extent as a Director.
- 179 An alternate Director shall be an officer of the Company. He shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

Dividends

- 180 The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. Subject to the Statutes and these Articles the Company may by ordinary resolution in general meeting declare dividends out of the profits of the Company available for distribution accordingly, but no such dividend shall exceed the amount if any, recommended by the Directors. No dividend or interim dividend may be paid otherwise than in accordance with Part VIII of the 1985 Act.
- 181 No dividend shall be payable except out of the profits of the Company (including profits set aside to any reserve fund under Article 144) or in excess of the amount recommended by the Directors.
- 182 Unless otherwise provided by the rights or privileges for the time being attached to the shares imposed by or pursuant to these Articles or the terms of their issue all dividends shall be declared and paid according to the amounts of capital Paid Up on the shares in respect of which the dividends are paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as Paid Up on the share. Dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portions of the period in respect of which the dividend is paid but, if any share is issued on terms providing that it ranks for dividend as from or after a particular date, the share shall rank for dividend accordingly.
- 183 Subject to the relieving provisions of section 131 and 132 of the 1985 Act, if the Company issues shares at a premium, whether for cash or otherwise, the Directors shall transfer a sum equal to the aggregate amount or value of the premiums to an account to be called "Share Premium Account", and any amount standing to the credit of such account shall not be applied in the payment of dividends.
- 184 The Directors may pay such interim dividends as appear to them to be justified by the profits of the Company and on such dates as they think fit. If at any time the capital of the Company is divided into different classes of shares the Directors may pay interim dividends in respect of those shares which confer on the holders deferred or non-preferred rights as well as in respect of those shares which confer on the holders preferential or special rights with regard to dividends but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Provided that the Directors act bona fide, they shall not incur any responsibility to the holders of any shares for any damage

that they suffer by reason of the payment of an interim dividend on any shares. The Directors may also pay half yearly or at other suitable intervals to be settled by them any dividend which is payable at a fixed rate if they are of the opinion that the profits justify the payment.

185 A general meeting declaring a dividend or bonus may upon the recommendation of the Board, by ordinary resolution direct payment of the dividend or bonus wholly or partly by the distribution of specific assets and, in particular, of Paid Up shares or debentures of another company or in anyone or more of these ways. The Directors shall give effect to the resolution and, where a difficulty arises in regard to the distribution, the Directors may settle it as they think expedient. In particular they may issue certificates in respect of fractions and fix the value for distribution of specific assets, may determine that cash payments are made to any members upon the footing of that value in order to adjust the rights of all parties and may vest the assets in trustees as may seem expedient to the Directors.

186 A resolution of the Company or of the Directors declaring a dividend may specify any date as the record date for the dividend, whether or not prior to the date on which the resolution is passed.

187 The Directors may deduct from any dividend or bonus payable to a member any sums presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

188 No unpaid dividend, bonus or interest shall bear interest as against the Company.

189 The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien permitted by the Statutes and may apply them in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

190 The Directors may retain the dividends and bonuses payable upon shares in respect of which any person is, under the provisions of these Articles relating to the transmission of shares, entitled to become a member, or which any person under those provisions is entitled to transfer, until he becomes a member in respect of the shares or duly transfers them.

191 Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date, the profits and losses thereof 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 aforesaid, 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 thereof.

192 Without prejudice to Article 195, the waiver in whole or in part of any dividend on any share by any document, whether or not under seal, shall be effective only if such document is signed by the member, or the person entitled to the share in consequence of the death or bankruptcy of the holder, and delivered to the Company and if or to the extent that it is accepted as such or acted upon by the Company.

193 If cheques, warrants, or orders for dividends or other sums payable in respect of shares sent by the Company to the persons entitled thereto are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries fail to establish any new address to be used for the purpose, the Company shall not be obliged to send any dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for that purpose.

194 The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of any share into a separate account shall not constitute the Company a trustee in respect thereof.

195 Any dividend or other monies payable in cash on or in respect of any share may be paid by cheque, warrant, bank transfer or by financial instrument or by other means, sent direct to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled in consequence of the death or bankruptcy of the holder, to anyone of such persons) or to such person and such address as such member or person or persons may In Writing direct. Such payment may be sent through the post or by equivalent means of delivery or by such other means, including without limitation by electronic media, as the Board may think fit.

Every such cheque, warrant, financial instrument or other form of payment shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, and payment of the cheque, warrant, financial instrument or other form of payment by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque, warrant or financial instrument shall be sent at the risk of the person entitled to the money represented thereby. If on two consecutive occasions cheques, warrants or financial

instruments in payment of dividends or other monies payable on or in respect of any share have been sent through the post in accordance with this Article 195 but have been returned undelivered or left uncashed during the periods for which they are valid, the Company need not thereafter despatch further cheques, warrants or financial instruments in payment of dividends or other monies payable on or in respect of the share in question until the member or other person entitled thereto has communicated with the Company and supplied In Writing to the Transfer Office a new registered address or address within the UK for the service of notices.

196 If several persons are registered as joint holders of a share, anyone of them may give an effectual receipt for any dividend or other moneys payable on or in respect of the share.

197 All dividends unclaimed for 12 months after having become due for payment may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect of them. Any Dividend unclaimed for a period of 12 years after the date of declaration of such dividend shall, unless the Directors otherwise resolve, be forfeited and revert to the Company.

Scrip dividends

198 Subject to the provisions of these Articles the Board may with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to any member, or where the issued share capital of the Company is divided into different classes, the holders of ordinary shares, the right to elect to receive ordinary shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by ordinary resolution. The following provisions shall apply:-

- (a) the said resolution may specify a particular dividend or may specify all or any dividends declared within a specified period or periods;
- (b) 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 would have received by way of dividend. For this purpose relevant value" shall be calculated by reference to the average of the middle market quotations of the ordinary shares on the London Stock Exchange, as derived from the Daily Official List, for 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 the Board may determine on such basis as it considers to be fair and

reasonable. 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 the amount;

- (c) no fractions of a share shall be allotted. The Board may make such provisions as it thinks fit for any fractional entitlements including provisions whereby, in whole or part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals and retentions are applied to the allotment by way of bonus or cash subscription on behalf of such member of fully paid ordinary shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlement;
- (d) the Board shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which elections must be lodged in order to be effective;
- (e) the Board may exclude from any offer any holders of ordinary shares where the Board considers that the making of the offer to them or in respect of such shares 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 or in respect of such shares;
- (f) the Board may establish or vary from time to time a procedure for election mandates in respect of future rights of election and may determine that every duly effected election in respect of ordinary shares shall be binding on every successor in title to the holder thereof;
- (g) the dividend (or part of the dividend in respect of which a right for election has been offered) shall not be payable on ordinary shares in respect of which an election has been duly made (the "elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purposes the Board may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash 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 elected ordinary shares on that basis. A Board resolution capitalizing any part of such reserve or fund profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 200 and in relation

to any such capitalisation the Board may exercise all the powers conferred on them by Article 200 without need of such ordinary resolution;

- (h) the additional ordinary shares so allotted shall rank pari passu in all respects with each other and with the fully paid ordinary shares in issue on the record date for the dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date; and
- (i) the Board may terminate, suspend, or amend any offer of the right to elect to receive ordinary shares in lieu of any cash dividend at any time and generally may implement any scrip dividend scheme on such terms and conditions as the Board may from time to time determine and take such other action as the Board may deem necessary or desirable from time to time in respect of any such scheme.

Reserves

- 199 The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied. Pending application the sum reserved may either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors think fit. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund such 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 unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may, without placing them to reserve, carry forward any profits which they think it prudent not to divide.

Capitalisation of profits and reserves

- 200 The Board may with the authority of an ordinary resolution:
- (a) Subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve or revaluation reserve; and
 - (b) 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 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 a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or partly in one way and partly in the other provided that:

- (i) the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article 200, be applied only in paying up unissued shares to be allotted to members full Paid Up.
 - (ii) in a 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 is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment thereof;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provisions by the issue of fractional certificates (or by ignoring fractions or accruing the benefit thereof to the Company rather than to the holders of the ordinary shares concerned) or by payments in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person on behalf of all the holders of ordinary shares concerned to enter into an agreement with the Company providing for either:
- (i) the allotment to them respectively, credited as fully Paid Up, of any shares or debentures to which they may be entitled on such capitalisation; or
 - (ii) the payment up by the Company on behalf of such holders by the application thereto of their respective proportion of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares

(any agreement made under such authority being effective and binding on all such holders) and

- (f) generally do all acts and things required to give effect to such resolution.

Distribution of Realised Profits

201 At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a "Relevant Period") distribution of the Company's capital profits (within the meaning of section 266(2) (c) of the 1985 Act) shall be prohibited. The Board shall establish a reserve to be called the capital reserve.

During a Relevant Period, all surplus arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the provisions of the 1985 Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the provisions of the Act, any expenses, loss, liability (or provision therefor) which the Board consider relate to a capital item or which the Board otherwise consider appropriate to be debited to the capital reserve, shall be carried to the debt of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to the credit of any revenue reserves are applicable except and provided that notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 263(2) of the 1985 Act) or be applied in paying dividends on any shares of the Company. In any other period other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined in section 263(2) of the 1985 Act) or be applied in paying dividends on any shares of the Company.

Record Date

202 Notwithstanding any other provision of these Articles, but subject to the Statutes the Company or the Board may by resolution specify any date as the record date being the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any

dividend, distribution, interest, allotment, issue, notice, information, document or circular, and such record date may be on or at any time before the date on which it is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after it is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect thereof of transferors and transferees of any such shares or other securities.

Minutes and Books

203(1) The Board shall cause minutes to be made into books to be provided for the purpose of:

- (a) All appointments of officers made by the Board;
- (b) The names of the Directors present at each meeting of the Board; and
- (c) All resolutions and proceedings at all meetings of the Company and of any class of members and of the Board;

And any such minutes, if signed by any person purporting to be the chairman of the meeting to which they relate or of the next following meeting or by any person appointed by the Board to sign them in the place of either such chairman, shall be received as conclusive evidence of the facts therein stated.

203(2) The Board shall duly comply with the provisions of the Statutes in regard to the keeping of registers, indexes, minute books, books of account and other books.

203(3) Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner including by means of computer. In any case in which bound books are not used, the Board shall take adequate precautions for guarding against falsification and for facilitating its discovery.

203(4) The Company shall be entitled to destroy the following documents as the following times:.

- (a) Registered instruments of transfer at any time after the expiry of six years from the date of resignation thereof;
- (b) Allotment letters at any time after the expiry of six years from the date of issue thereof;
- (c) Dividend mandates or any variation or cancellation thereof or any notifications of change of address at any time after the expiry of two years from the date of recording thereof;
- (d) Cancelled share certificates at any time after the expiry of one year from the date of the cancellation

thereof; and

- (e) Cancelled option certificates relating to any shares and notices of exercise in respect thereof at any time after the expiry of one year from the date of cancellation of the relevant certificate;
- (f) Any other document on the basis of which an entry in the register of members is made, after six years from the date on which an entry was first made in the register of members in respect of it.

Provided that the Company may destroy any such type of document at a date earlier than that authorised by this Article if a copy of such document is retained on microfilm or by other similar means which such copy is retained until the expiration of the period applicable to the destruction of the original of such document.

203(5) It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of any document so destroyed was duly and properly made in accordance with the recorded particulars thereof in the books or records of the Company; provided that:

- (a) The foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant; and
- (b) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where Article 203(4) is not complied with; and
- (c) References herein to the destruction of any document include references to the disposal thereof in any manner.

Discovery and secrecy

No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter in the nature of a trade secret or secret process which relates to the conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interests of the members of the Company to communicate to the public.

Accounts

204 The Directors shall cause true accounts to be kept:

- (a) of the sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;

- (b) of all sales and purchases of goods by the Company;
and
- (c) of the assets and liabilities of the Company.

205 The books of account shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than as Director) shall have any right of inspecting any account, book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.

206. The Directors shall not be bound, and unless expressly instructed so to do by extraordinary resolution of the Company in general meeting, to publish any list or particulars of the securities or investments held by the Company or to give to any shareholder any information relating to them.

207 Once at least in every year the Directors shall lay before the Company in general meeting a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date at which it is made out and containing a general summary of the capital, the assets and the liabilities of the Company arranged under suitable heads, both made up to a date not more than 7 months before the meeting. If the Company is a holding company as defined by the Statutes, there shall also (except in so far as the Statutes otherwise permit) be laid before the Company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the Company's financial year of the Company and its then subsidiary undertakings and a consolidated profit and loss account dealing with the profit or loss for the Company's financial year of the Company and its then subsidiary undertakings. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the applicable provisions of the Statutes.

208 Every balance sheet, profit and loss account, consolidated balance sheet and consolidated profit and loss account shall be signed in such manner as is required by the Statutes. There shall be attached to the balance sheet a report by the Directors as required by the Statutes.

209 Except as provided in the next following Article, a copy of the report by the Directors and of the Auditors' report, accompanied by the balance sheet (including every document required by law to be annexed or attached to it), and profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall, at least 21 days before the

annual general meeting or the extraordinary general meeting at which such documents are to be laid, be delivered or sent by post to the registered or last known address of every member and every holder of debentures of the Company and the Auditors of the Company. If any shares or securities of the Company are listed on the London Stock Exchange or AIM, the required number of copies of each of these documents shall at the same time be forwarded to the appropriate department of the London Stock Exchange. Provided that the foregoing shall not require any copy of such documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any share or debenture.

- 210 The Company may, in accordance with section 251 of the 1985 Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article 153.

Auditors

211. The Company shall at each annual general meeting appoint Auditors to hold office until the next annual general meeting.
- 212 No Director or other officer of the Company and no person who is a partner of or in the employment of an officer of the Company, and no corporation may be appointed as an Auditor. The duties of the Auditors shall be regulated in accordance with the Statutes.
- 213 Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that at the time of his appointment he was not qualified for appointment.

The auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors.

Notices

- *214 Any document or notice, including a share certificate, may be served on or delivered by the Company to any member:
- (a) by delivering it by hand to the address recorded for the member on the register;

*As amended by special resolution dated 17th May 2007

- (b) by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for the member on the register;
- (c) by fax (except for share certificates) to a fax number notified by the member in writing;
- (d) by electronic mail (except a share certificate) to an address notified by the member in writing;
- (e) by a website (except a share certificate) the address of which shall be notified to the member in writing; or
- (f) by a relevant system

This Article does not affect any provision in any relevant legislation or any other Article requiring notices or documents to be delivered in a particular way.

- *215 (1) If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the member.
- (2) If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered
- (a) 24 hours after it was posted, if first class post was used; or
 - (b) 72 hours after it was posted or given to delivery agents, if first class post was not used

provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was properly addressed and put into the postal system or given to delivery agents with postage or delivery paid.

- (3) If a notice or document (other than a share certificate) is sent by fax, it is treated as being delivered at the time it was sent.
- (4) If a notice or document (other than a share certificate) is sent by electronic mail, it is treated as being delivered at the time it was sent.
- (5) If a notice or document (other than a share certificate) is sent by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

*As amended by special resolution dated 17th May 2007

(6) If a notice or document (other than a share certificate) is sent by a relevant system, it is treated as being delivered when the Company (or a sponsoring system participant acting on its behalf) sends the issuer instructions relating to the notice or document.

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

217 A notice required to be given by the Company to members and not expressly provided for by these Articles shall be sufficiently given if given by advertisement. A notice required to be or which may be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which the advertisement appears. If by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, it may be convened by notice advertised in at least two leading daily newspapers with appropriate circulation, of which one is a leading London daily paper. The notice shall be deemed to have been duly served on all members entitled to it at noon on the day when the advertisement appears. The Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addressees within the United Kingdom again becomes practicable.

218 Every person who by operation of law, transfer or other means becomes entitled to any share shall be bound by every notice in respect of the share which, prior to his name and address being entered in the register of members, has been duly given to the person from whom he derives his title other than a notice given under Article 105 or section 212 of the 1985 Act.

Winding up

219 The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up. On a winding up of the Company, the balance of the assets available for distribution, after deduction of any provision made under section 719 of the 1985 Act and subject to any special rights attaching to any class of shares imposed by or pursuant to these Articles or their terms of issue, shall be applied in repaying to the members of the Company the

amounts Paid Up on the shares held by them. Any surplus assets will belong to the holders of any ordinary shares then in issue according to the numbers of shares held by them or, if no ordinary shares are then in issue, to the holders of any unclassified shares then in issue according to the numbers of shares held by them. Subject to the terms of issue, in any winding up, shares which are not fully Paid Up shall entitle the holder only to participate in any surplus assets according to the amounts Paid Up on such shares.

220 If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of an extraordinary resolution, divide among the members in specie or kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of properties of different kinds. He may for that purpose set such value as he deems fair upon anyone or more class or classes of property and may determine how the division is carried out as between the members or different classes of members. He may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the same authority thinks fit, but no contributory shall be compelled to accept any shares in respect of which there is a liability.

221 The power of sale of a liquidator includes a power to sell wholly or partially for shares or debentures, or other obligations of another company either then already constituted or about to be constituted, for the purpose of carrying out the sale.

Indemnity

222(A) Except so far as the provisions of this Article are avoided by any provisions of the Statutes (but without prejudice to any indemnity which a person may otherwise be entitled), the Directors, executive Directors, Secretary and other officers of the Company, and their respective executors or administrators, shall to the extent permitted by the Statutes be indemnified out of the assets of the Company against all actions, costs, charges, losses, liabilities, damages and expenses which they may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices, (including any liability incurred by a Director or officer in defending any proceedings, whether criminal or civil, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company), unless incurred through their own wilful neglect or default. None of them shall be answerable for the 1985 Acts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or

assets of the Company are lodged or deposited for safe custody, or for the insufficiency or deficiency or any security upon which any moneys of the Company are placed out or invested, or for any other loss or damage which happens in the execution of their offices, unless resulting from their own wilful neglect or default.

Power to Insure

222(B) Subject to the provisions of the 1985 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 or auditor 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 direct or indirect, or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested, indemnifying such person against any liability which may attach to him or loss or expenditure which may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer, employee, auditor or trustee.