

Company No. 2891064

THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FILTRONIC PLC

Incorporated the 25th day of January 1994

As adopted by Special Resolution passed
on 28 September 2001



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Company No 2891064

THE COMPANIES ACTS 1985 and 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FILTRONIC COMTEK plc

PRELIMINARY

1. TABLE "A" NOT TO APPLY

The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 shall not apply as the regulations or articles of the Company.

2. INTERPRETATION

- (A) In these articles, unless the subject or context otherwise requires:-

"Act" means the Companies Act 1985;

"Acts" means the Companies Acts 1985 and 1989 and every statute (including orders, regulations or other subordinate legislation made thereunder) for the time being in force concerning companies so far as they apply to the Company;

"articles" means these articles of association or other articles of association of the Company for the time being in force;

"auditors" means the auditors for the time being of the Company;

"board" means the board of directors from time to time of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;

"clear days" in relation to a period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"company" includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Acts;

"director" means a director for the time being of the Company;

"dividend" includes bonus;

"executed" in relation to a document includes reference to its being executed under hand or under seal or by any other method permitted by law;

"group" the Company and its subsidiary undertakings for the time being;

"holder" means, in relation to any share, the member whose name is entered in the register as the holder of that share;

"London Stock Exchange" means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

"member" means a member of the Company;

"office" means the registered office for the time being of the Company;

"paid-up" means paid up or credited as paid-up;

"recognised person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in Section 185(4) of the Act;

"register" means the register of members to be kept pursuant to Section 352 of the Act;

"seal" means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Acts;

"secretary" means the secretary for the time being of the Company and includes any assistant or deputy secretary and any person appointed by the board to perform the duties of the secretary;

"written" and "in writing" includes printing, lithography and other methods of representing or reproducing words in a legible form.

- (B) Unless the context otherwise requires, words and expressions contained in these articles and not defined above shall bear the same meaning as in the Acts but excluding any statutory modification thereof not in force when these articles become binding on the Company.
- (C) Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective for that purpose, and where for any purpose an extraordinary resolution is required, a special resolution shall also be effective for that purpose.

SHARE CAPITAL

3. SHARES

The authorised share capital of the Company at the date of adoption of these articles is £6,000,000 divided into 60,000,000 ordinary shares of 10p each.

4. ALLOTMENT

- (A) Subject to the provisions of the Acts and any resolution of the Company in general meeting required pursuant thereto, the board shall have unconditional authority to allot ~~(with or without~~ conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased capital) or rights to subscribe for or convert any security into shares of the Company to such persons, at such times and generally on such terms and conditions as the board may decide but so that no share shall be issued at a discount.
- (B) For the purposes of these Articles, a share in the capital of the Company is deemed paid up (as to its nominal value and any premium on it) in cash, or allotted for cash, if the consideration for the payment up or allotment is cash received by the Company, or is a cheque received by it in good faith which the Board has no reason for suspecting will not be paid, or is a release of a liability of the Company for a liquidated sum, or is an undertaking to pay cash to the Company at a future date.

5. REDEEMABLE SHARES

Subject to the provisions of the Acts and to any rights attached to any existing shares, any shares in the capital of the Company may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

6. POWER TO ATTACH RIGHTS

Subject to the provisions of the Acts and to any rights attached to any existing shares, any new shares in the capital of the Company may be allotted or issued with or have attached

to them such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if no such determination is made at an EGM called (inter alia) for the purpose of making such determination, as the board shall determine. The Company shall if required in accordance with section 128 of the Act deliver to the Registrar of Companies a statement in the prescribed form containing particulars of the rights.

7. VARIATION OF RIGHTS

- (A) Subject to the provisions of the Acts, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated (i) in such manner (if any) as may be provided by such rights, or (ii) in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the provisions of these articles, but not otherwise.
- (B) The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied or abrogated by the creation or issue of shares ranking pari passu with or subsequent to them.

8. COMMISSION

The Company may in connection with the issue of any shares exercise all powers conferred or permitted by the Acts of paying commissions or brokerages. Subject to the provisions of the Acts, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or the grant of an option to call for an allotment of shares or by any combination of such methods.

9. TRUSTS NOT RECOGNISED

Unless ordered by a court of competent jurisdiction or required by law, the Company shall not recognise any person ~~as holding~~ any share upon any trust and shall not be bound by or otherwise compelled to recognise (even if it has notice of it) any equitable, contingent, future, partial or other claim to or interest in any share other than an absolute right in the registered holder to the whole of the share.

10. RENUNCIATION

Subject to the provisions of the Acts and these articles the board may at any time after the allotment of shares but before any person has been entered in the register 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 considers fit to impose.

SHARE CERTIFICATES

11. RIGHT TO CERTIFICATES

- (A) Every person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) upon becoming the holder of any shares shall be entitled within two weeks after allotment or lodgement of a transfer, as the case may be (unless the terms of issue of the shares provide otherwise), and without charge to one certificate for all the shares of any class registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered.
- (B) Where a member (other than a recognised person) transfers part of his shares comprised in a certificate he shall be entitled to one certificate for the balance of shares retained by him without charge.

- (C) The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons and delivery of a certificate to any one joint holder shall be sufficient delivery to all joint holders.
- (D) Every certificate of shares shall specify the number and class and the distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon and shall be executed by the Company in such manner as the board, having regard to the Acts and the rules and regulations of the London Stock Exchange, may authorise.

12. REPLACEMENT CERTIFICATES

The board may cancel any certificate which is worn out, defaced, lost or destroyed and issue a replacement certificate upon such terms (if any) as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses incurred by the Company as the board may decide, and upon delivery up of the original certificate (where it is worn out or defaced).

LIEN

13. COMPANY'S LIEN ON SHARES NOT FULLY PAID

- (A) The Company shall have a first and paramount lien upon every share, (not being a fully paid share) registered in the name of a member (whether solely or jointly with other persons) for any amount payable in respect of such share, whether the due date for payment shall have arrived or not, and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such share.
- (B) The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the transferee, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

14. ENFORCEMENT OF LIEN BY SALE

- (A) For the purpose of enforcing the Company's lien, the Company may sell in such manner as the board may determine any share subject to it , provided that the due date for payment has arrived and payment is not made within fourteen clear days after the service of a notice in writing (stating, and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment) on the member concerned (or to any person entitled to the share by transmission).
- (B) To give effect to such sale, the board may authorise any person to execute an instrument of transfer of any share sold in the name and on behalf of the holder of, or the person, if any, entitled by transmission to the share in favour of the purchaser or his nominee. The purchaser shall not be bound to see to the application of the purchase money, and the title of the transferee shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale.

15. APPLICATION OF PROCEEDS OF SALE

The net proceeds of the sale, after payment of the costs thereof, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists so far as the same is presently payable. Any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold, or the provision of such indemnity (with or without security) as to any lost or destroyed certificate as the board may decide and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the member or any person entitled by transmission to the shares immediately before the sale.

CALLS ON SHARES

16. CALLS

Subject to the terms of issue, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the company serving upon him at least fourteen clear days notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

17. PAYMENT ON CALLS

A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

18. LIABILITY OF JOINT HOLDERS

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

19. INTEREST DUE ON NON-PAYMENT

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 20 per cent, per annum, as the board may decide, but the board shall be at liberty to waive payment of the interest wholly or in part.

20. SUMS DUE ON ALLOTMENT TREATED AS CALLS

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount

of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call.

21. POWER TO DIFFERENTIATE

Subject to the terms of issue, the board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

22. PAYMENT OF CALLS IN ADVANCE

The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent, per annum, as the board may decide.

FORFEITURE OF SHARES

23. NOTICE IF CALL OR INSTALMENT NOT PAID

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

24. FORM OF NOTICE

The notice shall name a further day (not being less than fourteen clear 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 on or before the day and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

25. FORFEITURE IF NON-COMPLIANCE WITH NOTICE

If the notice is not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

26. NOTICE AFTER FORFEITURE

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give the notice.

27. SALE OF FORFEITED SHARES

Until cancelled in accordance with the requirements of the Acts, a forfeited share shall be deemed to be 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 or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The company may receive the consideration (if any) given for the share on its disposal and if the share is in registered form may register the transferee as the holder of the share. At any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.

28. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURES

A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the company all moneys which at the date of the forfeiture were payable by him to the company in respect of those shares with interest thereon at the rate

of 20 per cent per annum (or such lower rate as the board may decide) from the date of forfeiture until payment, and the company may enforce payment without being under any obligation to make any allowance for the value of the shares ~~forfeited or~~ for any consideration received on their disposal.

29. STATUTORY DECLARATION AS FOR FORFEITURE

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

30. SURRENDER

The board may accept the surrender of any share liable to be forfeited and in such case references in these articles to forfeiture shall include surrender.

UNTRACED SHAREHOLDERS

31. POWER OF SALE

(A) The Company shall be entitled to sell any share of a member, or any share to which a person is entitled by transmission at the best price reasonably obtainable, provided that:-

- (i) for a period of twelve years no cheque, order or warrant sent by the Company through the post in a pre-paid envelope addressed to the member, or to the person entitled by transmission to the share, at his address on the register or other last known address given by such member or person to which cheques, orders and warrants in respect of such share are to be sent has been cashed and

no communication has been received by the Company from such member or person (in his capacity as member or person entitled by transmission) provided that in any such period of twelve years the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it;

(ii) at the expiration of such period of twelve years the Company has given notice of its intention to sell such share by advertisement in both a leading daily newspaper and in a newspaper circulating in the area of the address referred to in paragraph (A)(i) of this article;

(iii) the Company has not during the further period of three months following such advertisements received any communication in respect of such share from the member or person entitled by transmission; and

(iv) the Company has first given notice in writing to the London Stock Exchange of its intention to sell such share.

(B) If during the period of twelve years referred to in paragraph (A) above or during any period ending on the date when all the requirements of paragraphs (A)(i) to (iv) above have been satisfied any additional shares have been issued by way of right to those held at the beginning of, or previously so issued during, such periods and all the requirements of paragraphs (A)(ii) to (iv) above have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

(C) To give effect to such sale, the board may authorise any person to execute an instrument of transfer of such share in the name and on behalf of the holder of, or the person entitled by transmission to, such share in favour of the purchaser or his

nominee. The purchaser shall not be bound to see to the application of the purchase money and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- (D) A statutory declaration by a director or secretary that a share has been sold on the date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share.

32. APPLICATION OF PROCEEDS OF SALE

The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account. The Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the board may from time to time think fit. No interest shall be payable in respect of such moneys and the Company shall not be required to account for any money earned on them.

TRANSFER OF SHARES

33. FORM OF TRANSFER

A member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the board, and such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid-up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect of it.

34. RIGHT TO REFUSE REGISTRATION

- (A) Subject to the provisions of article 71 and article 34(B), the board may, in its absolute discretion and without giving any

reason, refuse to register any share transfer or renunciation of a renounceable letter of allotment unless:-

(i) it is in respect of a share which is fully paid-up;

(ii) it is in respect of a share on which the Company has no lien;

(iii) it is in respect of only one class of shares;

(iv) it is in favour of a single transferee or not more than four joint transferees;

(v) it is duly stamped (if so required); and

(vi) it is delivered for registration to the office or such other place as the board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

(B) The board may only refuse to register any transfer of a share which is not fully paid with the approval of the London Stock Exchange.

(C) If the board refuses to register a transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered shall, subject to article 139, be retained by the Company.

35. FEEES ON REGISTRATION

No fee shall be charged by the Company for the registration of any transfer or other document relating to or affecting the title to any shares or the right to transfer them or for making any other entry in the register.

36. SUSPENSION OF REGISTRATION AND CLOSING OF REGISTER

The registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may from time to time determine.

TRANSMISSION OF SHARES

37. TRANSMISSION ON DEATH

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

38. ENTRY OF TRANSMISSION IN REGISTER

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register.

39. ELECTION OF PERSON ENTITLED BY TRANSMISSION

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself, he shall give notice to the company to that effect. If he elects to have another person registered, he shall

execute an instrument of transfer of the share in favour of that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer executed by the member.

40. RIGHTS OF PERSON ENTITLED BY TRANSMISSION

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company. The board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

ALTERATION OF SHARE CAPITAL

41. INCREASE, CONSOLIDATION, SUB-DIVISION AND CANCELLATION

The Company may by ordinary resolution:-

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

- (iii) subject to the provisions of the Acts, sub-divide its shares, or any of them, into shares of a smaller amount and may by such resolution determine that, as between the shares resulting from such sub-division, any of them may have any preference or other advantage or be subject to any restriction as compared with the others; and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

42. FRACTIONS

Whenever as the result of any consolidation and division or sub-division of shares any members of the Company would become entitled to fractions of shares, the board may deal with such fractions as it shall determine and in particular may arrange for the sale of the shares representing the fractions to any person (including, subject to the provisions of the Acts, the Company) for the best price reasonably obtainable and distribute the net proceeds of the sale in due proportions amongst those members (except that any amount otherwise due to a member, being less than £2.50 or such other sum as the board may from time to time determine, may be retained for the benefit of the Company). For this purpose the board may authorise some person to execute a transfer of the shares sold to the purchaser thereof or any other person nominated by the purchaser and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor will the title of the transferee to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

43. REDUCTION OF CAPITAL

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

44. PURCHASE OF OWN SHARES

Subject to the provisions of the Acts, the Company may purchase all or any of its shares of any class (including any redeemable shares) in any way provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares of a class entitling the holders to convert into shares of any other class in the capital of the Company then no such purchase shall take place unless it has been sanctioned by an extraordinary resolution passed at a separate meeting (or meetings if there is more than one class) of the holders of any such class of convertible shares.

GENERAL MEETINGS

45. GENERAL MEETINGS

The Company shall hold annual general meetings, which shall be convened by the board, in accordance with the Acts. All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings.

46. CONVENING OF EXTRAORDINARY GENERAL MEETINGS

The board may convene an extraordinary general meeting of the Company whenever it thinks fit and must do so forthwith upon receipt of a requisition from members in accordance with the Acts and in default such meeting may be convened by requisitionists as provided in the Acts. At any meeting convened on any such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the board.

47. LENGTH AND FORM OF NOTICE

- (A) An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than twenty-one clear days' notice in writing. All other extraordinary general meetings of the Company shall be called by not less than fourteen clear days' notice in writing.
- (B) Subject to the provisions of the Acts, a general meeting may be called by shorter notice if it is so agreed:-
- (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
- (C) The notice shall specify:-
- (i) whether the meeting is an annual general meeting or an extraordinary general meeting;
 - (ii) the place, the day and the time of the meeting;
 - (iii) in the case of special business, the general nature of that business;
 - (iv) if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such; and
 - (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

- (D) Notice of every general meeting shall be given to the members (other than any who, under the provisions of these articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the directors and to the auditors.

48. OMISSION TO SEND NOTICE

The accidental omission to send a notice of meeting (or, in cases where it is sent out with the notice), an instrument of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at any general meeting.

49. SPECIAL BUSINESS

All business transacted at a general meeting shall be deemed special except the following transactions at an annual general meeting:-

- (i) the receipt and consideration of the profit and loss account, the balance sheet and reports of the directors and of the auditors, and the documents required by law to be annexed to the balance sheet;
- (ii) the election of directors and other officers in the place of those retiring by rotation or otherwise ceasing to hold office;
- (iii) the declaration of dividends;
- (iv) the appointment of the auditors (when special notice of the resolution for such appointment is not required by the Acts) and the fixing, or determination of the manner of the fixing of, their remuneration; and
- (v) the renewal of the authorities of the Company in general meeting required by the Acts in relation to the allotment of shares.

PROCEEDINGS AT GENERAL MEETINGS

50. QUORUM

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

51. PROCEDURE IF QUORUM NOT PRESENT

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting shall stand adjourned to such other day (not being less than ten nor more than twenty-eight days later) and at such other time or place as the chairman of the meeting may decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum. The company shall give not less than seven clear days notice in writing of any meeting adjourned through want of a quorum and the notice shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

52. CHAIRMAN OF GENERAL MEETING

The chairman (if any) of the board or, in his absence, the 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 any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take

the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

53. DIRECTORS RIGHT TO ATTEND AND SPEAK

Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company.

54. ADJOURNMENTS

The Chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting to another time or place. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

55. NOTICE OF ADJOURNMENT

When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

VOTING

56. METHOD OF VOTING

- (A) At any general meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before or

upon the declaration of the result of the show of hands) a poll is duly demanded.

(B) Subject to the provisions of the Acts, a poll may be demanded upon any question by:-

(i) the chairman of the meeting; or

(ii) not less than five members present in person or by proxy and entitled to vote; or

(iii) a member or members present in person or by proxy representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(iv) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a proxy for a member shall be deemed to be a demand by that member.

(C) Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

57. PROCEDURE ON A POLL

(A) If a poll is properly demanded, it shall be taken in such manner as the chairman of the meeting directs. He may appoint

scrutineers, who need not also be members, and may fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- (B) Any poll demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time and place as the chairman directs, either at once or after an interval or adjournment (but not more than thirty clear days after the date of the demand).
- (C) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' clear notice shall be given specifying the time and place at which the poll is to be taken.
- (D) The demand for a poll may be withdrawn but only with the consent of the chairman and a demand so withdrawn shall validate the result of a show of hands declared before the demand was made and, in the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand had not been made.
- (E) The demand for a poll (other than on the election of the chairman of the meeting or on any question of adjournment) shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- (F) On a poll votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

58. VOTES OF MEMBERS

- (A) Subject to any terms as to voting upon which any shares may have been issued or may for the time being be held, or any suspension or abrogation of voting rights pursuant to these articles, at a general meeting of the Company every member present in person shall upon a show of hands have one vote and every member present in person or by proxy shall upon a poll have one vote for every share of which he is the holder.
- (B) In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register.
- (C) A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy, provided that evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is deposited at the office (or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy) within the time limits prescribed by the articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

59. CASTING VOTE

In the case of an equality of votes the chairman shall, both on a show of hands and on a poll, have a casting vote in addition to any vote to which he may be entitled as a member.

60. RESTRICTION ON VOTING RIGHTS FOR UNPAID CALLS ETC.

Unless the board otherwise determines, no member shall be entitled in respect of any share held by him to be present or to vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll, or to exercise any other rights conferred by membership in relation to any such meeting or poll if any calls or other moneys due and payable in respect of such share remain unpaid. Such restrictions shall cease to apply upon payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of such non-payment.

61. EXECUTION OF PROXIES

An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it. A proxy need not be a member of the Company.

62. DELIVERY OF PROXIES

The instrument appointing a proxy and (if required by the board) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the board, may be delivered to the office (or to such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. When two or more valid but differing instruments of proxy are delivered in

respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

63. MAXIMUM VALIDITY OF PROXY

No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution.

64. FORM OF PROXY

Instruments of proxy shall be in any usual form or in such other form as the board may approve and the board may, if it thinks fit, but subject to the provisions of the Acts, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. Subject to Article 62 the instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

65. CANCELLATION OF PROXY'S AUTHORITY

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the Company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) not later than the

last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

66. CORPORATE REPRESENTATIVE

Any company which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. The person so authorised shall be entitled to exercise the same power on behalf of the company (in respect of that part of the company's holding to which the authorisation relates) as the company could exercise if it were an individual member and the company shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it and all references to attendance and voting in person shall be construed accordingly. A director, the secretary or some person authorised for the purpose by the secretary may require the representative to produce a certified copy of the resolution so authorising him before permitting him to exercise his powers.

67. OBJECTIONS TO AND ERROR IN VOTING

No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. Any objection made in due time shall be referred to the chairman of the meeting and shall only vitiate the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman shall be final and conclusive.

68. AMENDMENTS TO RESOLUTIONS

If any amendment proposed to any resolution under consideration is 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.

69. MEMBERS' WRITTEN RESOLUTIONS

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

CLASS MEETINGS

70. Any separate meeting for the holders of any class of shares shall be convened and conducted in all respects as nearly as possible in the same way as an extraordinary general meeting of the Company, provided that:-

- (i) no member, other than a director, shall be entitled to notice of it or to attend unless he is a holder of shares of that class;
- (ii) the quorum at any such meeting other than an adjourned meeting shall be two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of the class;
- (iii) the quorum at any adjourned meeting shall be two persons holding shares of the class in question who are present in person or by proxy; and

- (iv) a poll may be demanded in writing by any member present in person or by proxy and entitled to vote at the meeting and on a poll each member shall have one vote for every share of the class in question of which he is the holder.

DISCLOSURE OF INTERESTS IN SHARES

71.

- (A) Where a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 212 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of the notice, the following sanctions shall apply, unless the board determines not to apply all or any of them:-

- (i) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

- (ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:-

- (a) any dividend or other money payable in respect of the shares shall be withheld by the Company, and the member shall not be entitled to elect, pursuant to article 128, to receive shares instead of that dividend; and

- (b) no transfer, other than an excepted transfer (as hereinafter defined), of any shares held by the member shall be registered unless:

(1) the member is not himself in default as regards supplying the information required; and

(2) the member proves to the satisfaction of the board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(B) Where the sanctions under paragraph (A) of this article apply in relation to any shares, they shall cease to have effect:-

(i) if the shares are transferred by means of an excepted transfer; or

(ii) following receipt by the Company of the information required by the notice issued pursuant to Section 212 of the Act.

(C) Where, on the basis of information obtained from a member in respect of any share held by him, the Company issues ~~a~~ notice pursuant to section 212 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (A) of this article.

(D) For the purposes of this article:-

(i) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information

obtained from the member or, pursuant to a notice under section 212 of the Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;

- (ii) "interested" shall be construed as it is for the purpose of section 212 of the Act;
- (iii) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (iv) the "prescribed period" means:
 - (a) in a case where the default shares represent at least 0.25 per cent. of their class, fourteen days; and
 - (b) in any other case, twenty-eight days;
- (v) an "excepted transfer" means, in relation to any shares held by a member a transfer pursuant to a sale to a bona fide unconnected third party including without limitation:
 - (a) a transfer pursuant to acceptance of a take-over offer for the Company; or
 - (b) a transfer in consequence of 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; or

(c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

(vi) a "takeover offer" means an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them.

NUMBER OF DIRECTORS

72. Unless and until otherwise determined by the Company by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

ALTERNATE DIRECTORS

73. APPOINTMENT

Each director may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the office or tendered at a

meeting of the board, or in any other manner approved by the board. If his appointor so requests, an alternate director shall be entitled to receive notice of all meetings of the board or of committees of the board of which ~~his appointor~~ is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of these articles shall apply as if he were a director.

74. REMUNERATION AND EXPENSES

Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.

75. VOTING

Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director. Execution by an alternate director of any resolution in writing of the board or a committee of the board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.

76. REVOCATION OF APPOINTMENT

An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to

be a director except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this article ~~which was~~ in force immediately before his retirement shall remain in force as though he had not retired.

POWERS OF THE BOARD

77. POWERS OF THE BOARD

Subject to the provisions of the Acts, the memorandum of association of the Company and these articles and to any special resolution of the Company, the business of the Company shall be managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of these articles or special resolution of the Company shall invalidate any prior act of the board which would have been valid if such alteration had not been made or such special resolution had not been passed. The provisions contained elsewhere in these articles as to any specific power of the board shall not be deemed to limit the general powers given by this article.

78. POWERS OF DIRECTORS BEING LESS THAN MINIMUM REQUIRED NUMBER

If the number of the directors is less than the minimum for the time being prescribed by these articles, the remaining director or directors shall only act for the purpose of appointing an additional director or directors to make up such minimum or to convene a general meeting of the Company for the purpose of making such appointment. If there are no director or directors able or willing to act then any two members may summon a general meeting for the purpose of appointing directors. Any additional director so appointed shall (subject to the provisions of these articles) hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

79. EXERCISE OF VOTING RIGHTS

The board may exercise or cause to be exercised the voting rights conferred by the shares in any other company held or owned by the Company, or any power of appointment ~~to be~~ exercised by the Company, in such manner in all respects as it thinks fit (including the exercise of the voting rights or power of appointment in favour of the appointment of any director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

80. PROVISION FOR EMPLOYEES

The board may exercise any power conferred upon the Company by the Acts to make provision for the benefit of any person employed or formerly employed by the Company or any of its subsidiaries (or any member of his family, including a spouse or former spouse or any person who is or was dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

81. OVERSEAS REGISTER

Subject to the provisions of the Acts, the board may exercise the powers conferred upon the Company with regard to the keeping of an overseas or local or other register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

82. EXECUTIVE DIRECTORS

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the company (including that of a managing director) for such period (subject to the provisions of the Acts) and upon such other terms as the board or any committee authorised by the board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the

appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of his remuneration as a director.

83. ASSOCIATE DIRECTORS

The board may appoint any person (not being a director) to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such designation or title and may terminate any such appointment or the use of such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that such person is, or is deemed to be, or is empowered in any respect to act as, a director of the Company for any of the purposes of the Acts or these articles.

84. LOCAL BOARDS

The board may from time to time make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers, inspectors and agents and delegate to them any of the powers, authorities and discretions vested in the board (other than the power to borrow; and make calls; issue shares and determine the rights attaching to shares) with power to sub-delegate and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding such vacancies. Any such appointment or delegation may be made upon such terms and subject to such

conditions as the board thinks fit. The board may at any time remove any person so appointed and may vary or annul such delegation but no person dealing in good faith and without notice of such removal, variation or annulment shall be affected by it.

85. POWERS OF ATTORNEY

The board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the board, to be the attorney or attorneys of the Company and for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the board under these articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The board may revoke or vary any such appointment but no person dealing in good faith and without notice of such revocation or variation shall be affected by it.

86. COMMITTEES/INDIVIDUAL DIRECTORS

The board may delegate any of their powers to any committee consisting of not less than two directors. They may also delegate to any managing director or any director holding any other executive office or any other director such of their powers as they may consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered but no person dealing in good faith and without notice of such revocation or variation shall be affected by it. Subject to any such conditions, the proceedings of a committee with two or more members shall be

governed by these articles regulating the proceedings of the board so far as they are capable of applying. If any such committee determines (with the prior approval of the board) to co-opt persons other than directors on to such committee, the number of such co-opted persons shall be less than one half of the total number of members of the committee and no resolutions of the committee shall be effective unless a majority of the members of the committee present at the meeting concerned are directors.

87. BORROWING POWERS

87.1 Subject as hereinafter provided, the board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

87.2 The board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (as regards subsidiary undertakings so far as by such exercise the board can secure) that the aggregate amount for the time being outstanding of all borrowings by the Group (excluding money owed by any member of the Group to any other member of the Group) shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to three times the adjusted capital and reserves. For the purpose of the above restriction the "adjusted capital and reserves" means the aggregate from time to time of:-

- (a) the amount paid up on the issued share capital of the Company; and

- (b) the amount standing to the credit of the capital and revenue reserves of the Company (or, if the Company has subsidiary undertakings, the consolidated ~~capital and~~ revenue reserves of the Group) including any share premium account, capital redemption reserve, revaluation reserve and credit balance on profit and loss account;

as is shown in the latest audited balance sheet of the Company or (as the case may be) the latest audited consolidated balance sheet of the Group but adjusted as may be necessary to take account of:-

- (a) any variation in the amount paid up or credited as paid up on the issued share capital of the Company and in the share premium account or capital redemption reserve or revaluation reserve since the date of such balance sheet and so that for the purpose of making such adjustments, if any issued or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (b) any distribution from such reserves (otherwise than to the Company or to the subsidiary undertaking) not provided for therein;

- (c) the exclusion of any sums set aside for future taxation (including deferred tax) in amounts attributable to outside shareholders in subsidiary undertakings;
- (d) the deduction of any debit balance on profit and loss account as shown in such balance sheet;
- (e) any company which has become or ceased to be a subsidiary undertaking since the date of such balance sheet and any variation in the interests of the Company in its subsidiary undertakings since the date of such balance sheet;
- (f) any sums attributable to minority interests in any subsidiary undertaking; and
- (g) where the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, such adjustments as would be appropriate if such transaction had been carried into effect; and
- (h) the deduction of any amount for goodwill or any other intangible asset (not being goodwill arising on consolidation) incorporated as an asset in such balance sheet.

87.3 For the purpose of article 87.2 "borrowings" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:-

- (a) the nominal amount of any issued share capital of any person other than a member of the group and the principal amount of any debentures or borrowed money together with any fixed or minimum premium payable on redemption, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the redemption or payment of which is the subject of a guarantee or indemnity by a member of the Group;
- (b) the outstanding money raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- (c) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group;
- (d) the principal amount of any preference share capital of any subsidiary undertaking owned otherwise than by a member of the Group; and
- (e) any fixed or minimum premium payable on final redemption or repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

- (f) borrowings incurred by any member of the Group for the purpose of repaying the whole or any part of any borrowings by a member of the Group for the time being outstanding within six months of being so borrowed, pending their application for that purpose within that period;

- (g) borrowings incurred by any member of the Group for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is ~~guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function, up to an amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured;~~ and
- (h) amounts borrowed or raised which are for the time being deposited with H M Customs and Excise or any other body designated by any relevant legislation or order in connection with import deposits or any similar government scheme to the extent that a member of the Group retains its interest therein.

87.4 When the aggregate amount of borrowings required to be taken into account for the purposes of these ~~articles~~ on any particular day is being ascertained, any money denominated or repayable (or repayable at the option of any person rather than any member of the Group) in a currency other than sterling shall, if not subject to a contract or arrangement determining the rate of exchange, be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing in London at the close of business on the last business day before that day or, if it would result in a lower sterling equivalent, at the rate of exchange prevailing in London six months before such day (and for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business on the

day in question or, if that is not a business day, on the last business day before the day in question).

- 87.5 Subject to the provisions of the Acts, the Company may from time to time change the accounting conventions on which the audited balance sheet or audited consolidated balance sheet is prepared.
- 87.6 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 these articles has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact. For the purposes of their computation, the auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless for the purposes of these articles the board may act in reliance of a bona fide estimate of the amount of the adjusted capital and reserves at any time and if in consequence such limit is inadvertently exceeded an amount of moneys borrowed equal to the excess may be disregarded until the expiration of sixty days after the day on which (by reason of a determination of the auditors or otherwise) the board becomes aware that such a situation has or may have arisen.
- 87.7 Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by articles 87.1 to 87.6 is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit had been or was thereby exceeded.

APPOINTMENT AND RETIREMENT OF DIRECTORS

88. POWER OF THE COMPANY TO APPOINT DIRECTORS

Subject to the provisions of these articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not exceed any maximum number fixed in accordance with these articles.

89. POWER OF THE BOARD TO APPOINT DIRECTORS

Without prejudice to the power of the Company to appoint any person to be a director pursuant to these articles, the board may at any time appoint any person who is willing to act as a director either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not exceed any maximum number fixed in accordance with these articles. Any director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting, and he shall not retire by rotation at such meeting or be taken into account in determining the number of directors who are to retire by rotation at such meeting.

90. ELIGIBILITY OF NEW DIRECTORS

(A) No person, other than a director retiring (by rotation or otherwise) shall be eligible for appointment or reappointment as a director at any general meeting unless:-

- (i) he is recommended by the board; or
- (ii) not less than seven nor more than twenty-eight days before the date appointed for the meeting, there has been given to the Company notice in writing by a member (other than the person to be proposed) entitled to attend and vote at the meeting of the intention to propose that person for appointment or

Reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors, together with notice given by that person of his willingness to be appointed or reappointed, is lodged at the office.

(B) A director shall not be required to hold any shares in the Company.

9.1 VOTING ON RESOLUTION FOR APPOINTMENT

A resolution for the appointment of two or more persons as directors by a single resolution shall be void.

92. RETIREMENT BY ROTATION

92.1 At each annual general meeting of the company one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office but so that, if there are fewer than three directors who are subject to retirement by rotation, one shall retire from office.

92.2 In addition to the directors required to retire by rotation under article 92.1 (as determined in accordance with article 93), there shall also be required to retire by rotation any director who at an annual general meeting of the company shall have been a director at each of the preceding two annual general meetings of the company, provided that:

92.2.1 he was not appointed or reappointed at either such annual general meetings; and

92.2.2 he has not otherwise ceased to be a director (whether by resignation, retirement, removal or otherwise) and been reappointed by general meeting of the company at or since either such annual general meeting."

93. DIRECTORS SUBJECT TO RETIREMENT

Subject to the provisions of the Acts and of these articles the directors to retire by rotation at each annual general meeting shall include any director who wishes to retire and not offer himself for re-election and then, those directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the director to retire shall, in default of agreement between them, 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 start of business on the date of the notice convening the annual general meeting notwithstanding any change in the number or identity of the

directors after that time but before the close of the meeting.

94. POSITION OF RETIRING DIRECTOR

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

95. DEEMED REAPPOINTMENT

At any general meeting at which a director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring director shall, if willing, be deemed to have been reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

96. NO RETIREMENT ON ACCOUNT OF AGE

No person shall be or become incapable of being appointed a director by reason of his having attained the age of seventy or any other age, nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person and no director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age and section 293 of the Act shall not apply to the Company. Where any general meeting of the Company is convened at which, to the knowledge of the board, a director will be proposed for appointment or reappointment who will at the date of the meeting be seventy or more, the board shall give notice of his age in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings or

any appointment or reappointment of that director at that meeting.

REMOVAL AND DISQUALIFICATION OF DIRECTORS

97. REMOVAL BY ORDINARY RESOLUTION

In addition to any power of removal conferred by the Acts, the Company may by ordinary resolution remove any director before the expiration of his period of office (without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company) and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed or reappointed a director.

98. VACATION OF OFFICE BY DIRECTOR

(A) Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these articles, the office of a director shall be vacated if:-

- (i) he resigns by notice in writing delivered to the secretary at the office or tendered at a board meeting;
- (ii) he ceases to be a director by virtue of any provision of the Acts, is removed from office pursuant to these articles or becomes prohibited by law from being a director;
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the

Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

- (iv) an order is made by any court of competent jurisdiction on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the board resolves that his office be vacated;
- (v) both he and his alternate director appointed pursuant to the provisions of these articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
- (vi) he is removed from office by notice in writing addressed to him at his last known address and signed by all his co-directors (without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company).

- (B) A resolution of the board declaring a director to have vacated office under the terms of this article shall be conclusive as to the fact and grounds of vacation stated in the resolution.

REMUNERATION OF DIRECTORS

99. DIRECTORS' FEES

Unless otherwise determined by the Company by ordinary resolution, the directors (other than alternate directors) shall be paid for their services as directors such aggregate fees (not exceeding £100,000 per annum or such larger amount

as the Company may by ordinary resolution provide) as the board may decide, to be divided among the directors in such proportion and manner as they may determine or, in default of determination, equally. Any fee payable pursuant to this article shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to other provisions of these articles and shall accrue from day to day.

100. ADDITIONAL REMUNERATION

Any director who, at the request of the board, goes or resides abroad, makes any special journey or performs any special services on behalf of the Company or its business, may be paid such reasonable additional remuneration therefor, whether by way of salary, percentage of profits or otherwise and expenses, as the board may from time to time determine.

101. REMUNERATION OF EXECUTIVE DIRECTOR

The salary or remuneration of any director appointed to hold any employment or executive office in accordance with the provisions of these articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the board, and may be in addition to or in lieu of any fee payable to him for his services as director pursuant to these articles.

DIRECTORS' EXPENSES

102. Each director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including any expenses incurred in attending meetings of the board or of committees or general meetings or separate meetings of the holders of any class of shares or debentures of the Company.

DIRECTORS' INTERESTS

103.

(A) Subject to the provisions of the Acts and provided that paragraph (B) of this article is complied with, a director, notwithstanding his office:-

- (i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;
- (ii) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the board may arrange either in addition to or in lieu of any remuneration provided for by any other article;
- (iii) may be a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

(B) A director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board ~~at which~~ the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become so interested. For the purposes of this article:-

(i) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this article in relation to such contract, transaction, arrangement or proposal; and

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

(C) Save as provided in this article, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board or of a committee of the board concerning any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he (together with persons connected with him) is to his knowledge materially interested, directly or indirectly (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition shall not apply to any resolution concerning any of the following matters:-

(i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations

incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(iii) any contract, arrangement, transaction or proposal concerning an offer of any shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company (including any subsidiary of the Company) (a "relevant company") in which he is interested, directly or indirectly, and whether as an officer or shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of a relevant company. For the purposes of this paragraph (iv):-

(a) a director shall be deemed to have an interest in one per cent. or more of a relevant company if directly or indirectly he is the holder of or beneficially interested in one per cent. or more of any class of equity share capital or of the voting rights available to members of either such company or if he can cause one per cent. of such voting rights to be cast at his direction;

- (b) there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or is in remainder (if and so long as some other person is entitled to receive the income from the trust) and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder;
- (c) where a relevant company in which a director is deemed for the purposes of this article to be interested in one per cent. or more is materially interested in a contract, he also shall be deemed to be materially interested in that contract.

(v) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension fund, retirement, death or disability benefits scheme or personal pension plan under which he may benefit and which either (a) has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes or (b) relates to both employees and directors of the Company (or any of its subsidiaries) and does not accord to any director as such any privilege or advantage not accorded to the employees to whom such scheme or fund relates; and

(vi) any contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

(D) A director shall not vote or be counted in the quorum on any resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms

of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each director and in such case each of the directors concerned (if not otherwise debarred from voting under this article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(E) If any question arises at any meeting as to the materiality of a director's interest (other than the chairman's interest) or as to the entitlement of any director (other than the chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be final and conclusive.

(F) If any question arises at any meeting as to the materiality of the chairman's interest or as to the entitlement of the chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote shall be final and conclusive.

(G) Subject to the provisions of the Acts, the Company may by ordinary resolution suspend or relax the provisions of this article either generally or in respect of any particular

matter or ratify any transaction not duly authorised by reason of a contravention of this article.

- (H) For the purposes of this article an interest of a person who is for the purposes of the Act connected with (within the meaning of section 346 of the Act) a director shall be treated as an interest of the director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has and, without prejudice to the foregoing, the provisions of this article shall apply to an alternate director as if he were a director otherwise appointed.

DIRECTORS' GRATUITIES AND BENEFITS

104.

- (A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for any person who is or has at any time been a director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or of any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse) or any person who is or was dependent on him. For such purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may procure any of such matters to be done by the Company either alone or in conjunction with any other person.
- (B) Any director or former director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this article and shall not be obliged to account for it to the Company.

PROCEEDINGS OF DIRECTORS AND COMMITTEES

105. BOARD MEETINGS

Subject to the provisions of these articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

106. NOTICE OF BOARD MEETINGS

Any director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting shall be deemed to be duly given to a director if it is given to him personally 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 may waive the requirement that notice be given to him of any board meeting, either prospectively or retrospectively. Notices of board meetings shall be sent in writing to any director absent from the United Kingdom at any address given by him to the Company for this purpose. If no such address has been given to the Company it shall not be necessary to give notice of a board meeting to a director who is absent from the United Kingdom provided that the Company has used its reasonable endeavours to give notice to such Director by sending the notice to his last known address.

107. QUORUM

The quorum necessary for the transaction of business may be determined by the board and until otherwise determined shall be two directors. A duly convened meeting of the board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions for the time being vested in or exercisable by the board.

108. CHAIRMAN OF BOARD

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairmen and determine the period for which he is or they are to hold office (and may at any time remove

him or them from office), but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor a deputy chairman is present within five minutes of the time appointed for holding the same, the directors present shall choose one of their number to be chairman of such meeting. In the event of two or more deputy chairmen being present, the senior of them shall act as chairman of the meeting, seniority being determined by length of office since their last appointment or reappointment. As between two or more who have held office an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. Any chairman or deputy chairman may also hold executive office under the Company.

109. VOTING

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

110. PARTICIPATION BY TELEPHONE

Any director may validly participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Acts, all business transacted in such manner by the board or a committee of the board shall for the purposes of these articles be deemed to be validly and effectively transacted at a meeting of the board or a committee notwithstanding that fewer than two directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled

or, if there is no such group, where the chairman of the meeting then is.

111. RESOLUTION IN WRITING

A resolution in writing executed by all the directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the board, (or committee, as the case may be) and may consist of several documents in the same form each executed by one or more of the directors or members of the relevant committee. Such a resolution need not be signed by an alternate director if it is signed by the director who appointed him and a resolution signed by an alternate need not also be signed by his appointor.

112. PROCEEDINGS OF COMMITTEES

All committees of the board shall, in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the board, and subject thereto shall be governed by such of these articles as regulate the proceedings of the board as are capable of applying.

113. VALIDITY OF PROCEEDINGS OF BOARD OR COMMITTEE

All acts done by a meeting of the board, or of a committee of the board, or by any person acting as a director, alternate director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a director, alternate or member of a committee and entitled to vote.

SECRETARY AND AUTHENTICATION OF DOCUMENTS

114. SECRETARY

- (A) Subject to the provisions of the Acts, the board shall appoint a secretary or joint secretaries and ~~shall have~~ power to appoint one or more persons to be an assistant or deputy secretary at such remuneration and upon such conditions as it thinks fit. The board may from time to time remove any person so appointed from office and appoint another or others in his place.
- (B) Any provision of the Acts or of 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.

115. AUTHENTICATION OF DOCUMENTS

Any director or the secretary or any person appointed by the board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including its memorandum and articles of association) and any resolutions passed by the Company or the board or a committee of the board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

MINUTES

116. The board shall cause minutes to be made in books kept for the purpose thereof of:-
- (i) all appointments of officers and committees made by the board and of any salary or remuneration;
 - (ii) the names of directors present at every meeting of the board, committees of the board, the Company or

the holders of any class of shares or debentures of the Company; and

- (iii) all orders, resolutions and ~~proceedings of such~~ meetings.

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

SEALS

117. SAFE CUSTODY

The board shall provide for the safe custody of every seal of the Company, which shall only be used by the authority (whether general or specific) of the board or of a committee of the board authorised by the board.

118. APPLICATION OF SEALS

- (A) Subject to the Acts, the board may resolve that the Company shall not have a seal.
- (B) The board may arrange for the company to have a securities seal.
- (C) The board may determine whether any document to which any seal is affixed shall be signed and, if it is to be signed, who shall sign it and whether such signature may be affixed by mechanical means. Unless otherwise determined by the board or the law otherwise requires, a certificate for shares, debentures or other securities of the Company which is issued under seal need not also be signed but every other document to which the seal is affixed shall be signed by a director and by the secretary or by a second director.

- (D) Any document signed by a director and by the secretary or by two directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of a resolution of the board or of a committee of the board authorised on that behalf.

119. OFFICIAL SEAL FOR USE ABROAD

The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad, and such powers shall be vested in the board.

DIVIDENDS AND OTHER PAYMENTS

120. DECLARATION OF DIVIDENDS

Subject to the provisions of the Acts and of these articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests in the profits of the Company, but no dividend shall exceed the amount recommended by the board.

121. INTERIM DIVIDENDS

Subject to the provisions of the Acts, the board may declare or pay such interim dividends (including any dividend payable at a fixed rate) as appears to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment any preferential dividend is in arrear and, provided the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of

conferred on them by that article without need of such ordinary resolution;

- (v) the additional shares so allotted ~~shall be allotted~~ as at the record date for the dividend in respect of which the right of election has been offered and shall rank pari passu in all respects with each other and with the fully paid shares of that class then in issue except that they will not rank for any dividend or other distribution or other entitlement which has been declared, made or paid by reference to such record date.

CAPITALISATION OF PROFITS

130. The board may, with the authority of an ordinary resolution of the Company:-

- (i) resolve to capitalise any amount standing to the credit of the Company's reserves, share premium account or capital redemption reserve or of the profit and loss account not required for paying any preferential dividend (whether or not the same are available for distribution);
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply such 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 the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid-up, to the members, or as they may direct, in those proportions, or partly in one way and partly in the other: provided that the share premium account, the capital redemption reserve and

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

- (iii) where any difficulty arises with regard to any distribution of any capitalised reserve or other sum, settle the matter as it thinks expedient and in particular, in the case of shares or debentures becoming distributable under this article in fractions, make such provisions by ignoring fractions or by payment in cash or otherwise as the board thinks fit;
- (iv) authorise any person to enter (on behalf of all the members concerned) into an agreement with the Company providing for either (a) the allotment to the members respectively, credited as fully paid-up, of any shares or debentures to which they may be entitled upon such capitalisation or (b) the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the 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 thereupon effective and binding on all such members); and
- (v) generally do all acts and things required to give effect to such resolution as aforesaid.

RECORD DATES

131. Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, the Company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any

date on which such dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTS

132. INSPECTION OF ACCOUNTS

- (A) The board shall cause accounting records to be kept in accordance with the Acts.
- (B) The accounting records of the Company shall be kept at the office or, subject to the provisions of the Acts, at such other place as the board thinks fit and shall always be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) shall have any right to inspect any accounting record or other document of the Company except as conferred by statute or authorised by the board.

133. COPY TO BE SENT TO MEMBERS

A printed copy of every profit and loss account and balance sheet of the Company and the directors' and auditors' reports on the same (including all documents required by law to be annexed to the balance sheet) which is to be laid before the Company in general meeting (or such documents as may be required or permitted by law to be sent to members in lieu of such meeting) shall be sent by post or delivered to every member and every holder of debentures of the Company (whether or not such member or holder is entitled to receive notice of general meetings of the Company) and to the auditors at least 21 clear days before the date of the meeting Provided that the requirements of this article in relation to the documents to be sent shall be deemed to be satisfied by sending to any member or holder of debentures of the Company, where permitted by the Acts and in lieu of the said copies, a summary financial statement derived from the Company's annual accounts and the directors' report in the form and containing the information prescribed by the Acts. This article shall not require a copy of any

documents to which it applies to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures.

NOTICES

134. NOTICES TO BE IN WRITING

Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice convening a meeting of the board or of a committee of the board need not be in writing.

135. SERVICE OF NOTICE ON MEMBERS

- (A) Any notice or other document may be served on or delivered to any member by the Company, either personally or by sending it through the post in a prepaid envelope addressed to the member at his registered address, or by leaving it at that address (or at any other address notified for the purpose) in an envelope addressed to the member.
- (B) In the case of joint holders of a share, all notices shall be given to whichever of such persons is named first in the register in respect of the joint holding and notice so given shall be sufficient notice to all joint holders.
- (C) If a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be given to him, he shall be entitled to have notices given to him at that address, but otherwise no such member (or joint holders) shall be entitled to receive any notice or document from the Company.

136. NOTICE BY ADVERTISEMENT

If at any time, 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 sending notices through the post the board may, in its absolute discretion and as an alternative to any other method of service permitted by these articles, resolve to convene a general meeting by a notice advertised in at least two leading United Kingdom national daily newspapers. In any such case the Company shall send confirmatory copies of the notice by post if at least seven clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

137. EVIDENCE OF SERVICE

- (A) A notice or other document addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post, be deemed to have been served or delivered at the latest within twenty-four hours if prepaid as first class and within forty-eight hours if prepaid as second class after the same shall have been posted, and in proving such service it shall be sufficient to prove that the envelope containing such notice or document was properly addressed, prepaid and posted.
- (B) Any notice or document not sent by post but left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day it was so left.
- (C) Where notice is given by way of newspaper advertisement, such notice shall be deemed to have been duly served on all members or person(s) entitled thereto at noon on the day when the advertisements appear or, if they appear on different days, at noon on the last of the days when the advertisement appears.
- (D) A member present in person or by proxy at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received due notice of the

meeting and, where requisite, of the purposes for which it was called.

138. NOTICE BINDING ON TRANSFEREES ETC.

Every person who, by operation of law, transfer or by any other means, becomes entitled to a share shall be bound by any notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the register, has been duly served on or delivered to a person from whom he derives his title.

139. NOTICE IN CASE OF DEATH, BANKRUPTCY OR MENTAL DISORDER

In the case of the death or bankruptcy of a member or of any other event giving rise to a transmission of entitlement to a share by operation of law the Company may serve or deliver a notice or document to the person entitled in consequence of such event as if he was the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by any similar designation) at an address within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice or document may be served or delivered in any manner in which this might have been done if the death or bankruptcy had not occurred. Service or delivery in accordance with this article shall be deemed to be sufficient notice to all other persons interested in such share.

DESTRUCTION OF DOCUMENTS

140. (A) The Company may destroy:-

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

- (ii) any mandate for the payment of dividends or other moneys or any variation or cancellation of the same or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares (including any document constituting the renunciation of an allotment of shares) which has been registered at any time after the expiry of six years from the date of registration; and
- (iv) any other document on the basis of which any entry in the register is made at any time after the expiry of six years from the date an entry in the register was first made in respect of it.

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

- (i) the provisions of this article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

(ii) nothing contained in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than ~~provided for in~~ this article or in any case where the conditions of this article above are not fulfilled; and

(iii) references in this article to the destruction of any document include references to its disposal in any manner.

WINDING-UP

141. On any voluntary winding-up of the Company the liquidator may, subject to obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon any one or more class or classes of property, and may determine on the basis of such valuation and in accordance with the then existing rights of members how such division shall be carried out as between members or classes of members. The liquidator shall not, however, (save with the consent of the member concerned) distribute to a member any asset to which there is attached a liability or potential liability for the owner.

INDEMNITY

142. (A) Subject to the provisions of the Acts, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor, other officer, agent or employee for the time being of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities incurred by him in or about the

execution of his duties or the exercise of his powers or otherwise in relation thereto including (without prejudice to the generality of the foregoing) any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part 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.

- (B) The board may exercise all the powers of the Company to purchase and maintain for any director or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.

NAMES AND ADDRESSES OF SUBSCRIBERS

WITNESS to the above Signatures:-