

No. 2920061

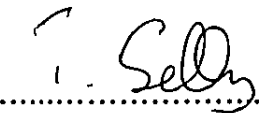
The Companies Act 2006
A Public Company Limited by Shares
Special Resolution
of
Imagination Technologies Group Plc
passed on 13th August 2010

At the Annual General Meeting of the Company duly convened and held at Imagination Technologies, Imagination House, Kings Langley, Herts WD4 8LZ on 13 August 2010, the following resolution was duly passed as a special resolution of the Company.

RESOLUTION

That:

The draft articles of association in the form produced to the meeting and signed by the chairman for the purposes of identification be adopted as the articles of association of the Company with immediate effect and in substitution for, and to the exclusion of, all existing articles of association of the Company. The principle amendments to the Company's articles of association are to reflect certain changes in the law introduced by the 2006 Act. The Company Secretary is to file the necessary forms and new articles with Companies House.


.....
Trevor Selby
Director



Company No 2920061

PUBLIC COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

- of -

IMAGINATION TECHNOLOGIES GROUP PLC

(Adopted by special resolution passed on 13 August 2010)

A COMPANY INCORPORATED IN ENGLAND AND WALES
UNDER THE COMPANIES ACT 1985

G S. Shimples
13th August 2010



COMPANIES HOUSE



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PUBLIC COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

- of -

IMAGINATION TECHNOLOGIES GROUP PLC

(Adopted by special resolution passed on 13 August 2010)

A COMPANY INCORPORATED IN ENGLAND AND WALES
UNDER THE COMPANIES ACT 1985

PRELIMINARY

1 EXCLUSION OF DEFAULT OR MODEL ARTICLES

No default or model articles or regulations which may apply to companies under the Statutes (including, without limitation, the regulations in The Companies (Tables A to F) Regulations 1985 (as amended) and the model articles in the Companies (Model Articles) Regulations 2008) shall apply to the Company unless expressly included in these articles

2 INTERPRETATION

(1) In these articles, unless the contrary intention appears

(a) the following definitions apply

"Act" means the Companies Act 2006,

"these articles" means these articles of association, as from time to time altered,

"board" means the board of directors for the time being of the Company,

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

"committee" means a committee of the board,

"Companies Acts"	has the same meaning as in section 2 of the Act (as adapted or modified from time to time),
"director"	means a director for the time being of the Company,
"holder"	in relation to any share means the member whose name is entered in the register as the holder of that share,
"Listing Rules"	means the Listing Rules made by the Financial Services Authority under Part VI of the Financial Services and Markets Act 2000,
"London Stock Exchange"	means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited,
"market nominee"	means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange within the meaning of section 778 of the Act,
"the office"	means the registered office for the time being of the Company,
"paid up"	means paid up or credited as paid up,
"person entitled by transmission"	means a person whose entitlement 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 has been noted in the register,
"register"	means the register of members of the Company,
"seal"	any common seal of the Company or any official seal or securities seal which the Company may have or be permitted to have under the Statutes,
"secretary"	means the secretary of the Company or if there are joint secretaries, any of the joint secretaries and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary of the Company,

"Statutes" means, insofar as they affect the Company, the Companies Acts, the Uncertificated Securities Regulations and every other act, statute, statutory instrument, regulation or order for the time being in force concerning companies,

"transmission event" death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law,

Uncertificated Securities Regulations the Uncertificated Securities Regulations 2001 as amended from time to time and any Statutes which supplement or replace such Regulations, and

working day has the same meaning as in section 1173 of the Act

(b) any other words or expressions defined in the Act (as in force on the date of adoption of these articles) have the same meaning in these articles except that the word "company" includes any body corporate,

(c) any reference elsewhere in these articles to any statute or statutory provision includes a reference to any modification or re-enactment of it for the time being in force,

(d) words importing the singular number include the plural number and vice versa, words importing the masculine gender include the feminine gender and words importing persons include bodies corporate and unincorporated associations,

(e) any reference to

(i) a **document** includes, unless otherwise specified, any document sent or supplied in electronic form,

(ii) "**electronic form**" and "**electronic copy**" have the same meanings as in section 1168 of the Act,

(iii) "**electronic means**" has the same meaning as in section 1168 of the Act,

(iv) a document being **executed** includes references to it being executed under hand or seal or, in the case of a document in electronic form, by electronic signature or such other means of verifying the authenticity of the communication that the board may from time to time approve,

- (v) **"hard copy form"** and **"hard copy"** have the same meaning as in section 1168 of the Act,
 - (vi) **an instrument** means a written document in hard copy form,
 - (vii) **in writing** and **written** means the representation or reproduction of words, symbols or other information in visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, and
 - (viii) **address** in relation to documents or information sent by electronic means, includes any number or address used for the purposes of such communications
- (f) any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person
- (2) Subject to the provisions of the Statutes a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required
- (3) Headings to these articles are inserted for convenience only and shall not affect construction

SHARE CAPITAL

3 LIABILITY OF MEMBERS

The liability of the members is limited to the amount, if any, unpaid on the shares held by them

4 RIGHTS ATTACHED TO ORDINARY SHARES

Subject to the provisions of the Statutes and to the rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the board may decide

5 ALLOTMENT

Subject to the provisions of the Statutes, these articles and any resolution of the Company, the board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares in the capital of the Company to such persons, at such times and generally on such terms as the board may decide

6 POWER TO PAY COMMISSION AND BROKERAGE

The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Statutes

7 ALTERATIONS OF CAPITAL

If as a result of any consolidation of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit and in particular may (on behalf of those members) sell the shares representing the fractions to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members (except that any proceeds less than a sum fixed by the board may be retained for the benefit of the Company) For the purpose of any such sale the board may authorise some person to transfer the shares to or as directed by the purchaser, who shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale

8 POWER TO ISSUE REDEEMABLE SHARES

Subject to the Statutes, the Company may issue shares on the terms that they are, or are liable, to be redeemed at the option of the Company or the holder The board may determine the terms, conditions and manner of redemption of shares provided that it does so before the shares are allotted

9 TRUSTS NOT RECOGNISED

Except as required by law or these articles, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise (even when having notice of it) any interest in or in respect of any share, except the holder's absolute right to the entirety of the share

10 VARIATION OF RIGHTS

Unless otherwise expressly provided by the terms of their issue, the rights attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of further shares ranking *pari passu* with them

SHARE CERTIFICATES

11 ISSUE OF CERTIFICATES

- (1) A person whose name is entered in the register as the holder of any shares shall be entitled to receive within two months after the allotment to him of those shares or lodgment of evidence of his entitlement to shares (or within such other period as the conditions of issue may provide) one certificate for those shares, or one certificate for each class of those shares and, if he transfers part of the shares represented by a certificate in his name, to a new certificate for the balance of those shares, but no

certificate shall be issued to any member who is a market nominee unless it specifically requests to Company to issue one

- (2) In the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of the joint holders shall be sufficient delivery to all
- (3) Every share certificate shall be executed under seal and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares

12 CHARGES FOR AND REPLACEMENT OF CERTIFICATES

- (1) Except as expressly provided to the contrary in these articles, no fee shall be charged for the issue of a share certificate
- (2) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate issued
- (3) If any member surrenders for cancellation a certificate representing shares held by him and requests the Company to issue two or more certificates representing those shares in such proportions as he may specify, the board may, if it thinks fit, comply with the request on payment of such fee (if any) as the board may decide
- (4) If a certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued on compliance with such conditions as to evidence and indemnity as the board may think fit and on payment of any exceptional expenses of the Company incidental to its investigation of the evidence and, if damaged or defaced, on delivery up of the old certificate
- (5) In the case of joint holders of a share a request for a new certificate under any of the preceding paragraphs of this article may be made by any one of the joint holders unless the certificate is alleged to have been lost, stolen or destroyed

13 OTHER METHODS OF RECORDING TITLE

Nothing in these articles shall preclude title to any securities of the Company being recorded other than in writing in accordance with such arrangements as may from time to time be permitted by the Statutes and approved by the board

LIEN ON SHARES

14 LIEN ON PARTLY PAID SHARES

- (1) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The lien shall extend to every amount payable in respect of that share

- (2) The board may at any time either generally or in any particular case declare any share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

15 ENFORCEMENT OF LIEN

- (1) The Company may sell any share subject to a lien in such manner as the board may decide if an amount payable on the share is due and is not paid within fourteen clear days after a notice has been served on the holder or any person entitled by transmission to the share demanding payment of that amount and giving notice of intention to sell in default.
- (2) To give effect to any sale under this article, the board may authorise some person to transfer the share sold to, or in accordance with the directions of, the purchaser and the transferee shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings connected with the sale.
- (3) The net proceeds of the sale, after payment of the costs, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien for any amounts not presently due as existed on the share before the sale), on surrender of the certificate for the shares sold, be paid to the holder or person entitled by transmission to the share immediately before the sale.

CALLS ON SHARES

16 CALLS

- (1) Subject to the terms of allotment, the board may make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal amount or premium) and each member shall (subject to his receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide.
- (2) Any call may be made payable in one sum or by instalments and shall be deemed to be made at the time when the resolution of the board authorising that call is passed.
- (3) A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call is made.
- (4) The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share.

17 INTEREST ON CALL

If a call is not paid before or on the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of

actual payment, at such rate as the board may decide, but the board may waive payment of the interest, wholly or in part

18 SUMS CREATED AS CALLS

A sum which by the terms of allotment of a share is payable on allotment, or at a fixed time, or by instalments at fixed times, shall for all purposes of these articles be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non-payment, the provisions of these articles shall apply as if that sum had become payable by virtue of a call

19 POWER TO DIFFERENTIATE

On any issue of shares the board may make arrangements for a difference between the allottees or holders of the shares in the amounts and times of payment of calls on their shares

20 PAYMENT OF CALLS IN ADVANCE

The board may, if it thinks fit, receive all or any part of the moneys payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance and, on any moneys so paid in advance, may (until they would otherwise be due) pay interest at such rate as may be agreed between the board and the member paying the sum in advance

FORFEITURE OF SHARES

21 NOTICE OF UNPAID CALLS

- (1) If the whole or any part of any call or instalment remains unpaid on any share after the due date for payment the board may serve a notice on the holder requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest
- (2) The notice shall state a further day, being not less than fourteen clear days from the date of the notice, on or before which, and the place where, payment 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 share in respect of which the call was made or instalment is payable will be liable to be forfeited
- (3) The board may accept a surrender of any share liable to be forfeited

22 FORFEITURE ON NON-COMPLIANCE WITH NOTICE

- (1) If the requirements of a notice served under the preceding article are not complied with, any share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the board. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture

- (2) If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the register, but no forfeiture shall be invalidated by any omission to give such notice or to make such entry

23 POWER TO ANNUL FORFEITURE OR SURRENDER

The board may, at any time before the forfeited or surrendered share has been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due on or incurred in respect of the share and on such further conditions (if any) as it thinks fit

24 DISPOSAL OF FORFEITED OR SURRENDERED SHARES

- (1) Every share which is forfeited or surrendered shall become the property of the Company and (subject to the provisions of the Statutes) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the board shall decide either to the person who was before the forfeiture the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The board may for the purposes of a disposal authorise some person to transfer the forfeited or surrendered share to, or in accordance with the directions of, any person to whom the same has been sold or disposed of
- (2) A statutory declaration by a director or the secretary that a share has been forfeited or surrendered on a specified date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to the execution of any necessary transfer) constitute a good title to the share. The new holder of the share shall not be bound to see to the application of the consideration for the disposal (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings connected with the forfeiture, surrender, sale, re-allotment or disposal of the share

25 ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE OR SURRENDER

A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered share and shall surrender to the Company for cancellation the certificate for the share forfeited or surrendered, but shall remain liable (unless payment is waived in whole or in part by the board) to pay to the Company all moneys payable by him on or in respect of that share at the time of forfeiture or surrender, together with interest from the time of forfeiture or surrender until payment at such rate as the board shall decide, in the same manner as if the share had not been forfeited or surrendered. He shall also be liable to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the share at the time of forfeiture or surrender. No deduction or allowance shall be made for the value of the share at the time of forfeiture or surrender or for any consideration received on its disposal

UNTRACED MEMBERS

26 SALE OF SHARES OF UNTRACED MEMBERS

- (1) The Company may sell any share of a member, or any share to which a person is entitled by transmission, by giving to a person authorised to conduct business on the London Stock Exchange an instruction to sell it at best, if
 - (a) during a period of twelve years at least three cash dividends have become payable in respect of the share to be sold,
 - (b) during that period no cash dividend payable in respect of the share has been claimed, no warrant or cheque in respect of the share sent to the address and in the manner provided by these articles for sending such payments has been cashed and no communication has been received by the Company from the member or the person entitled by transmission to the share,
 - (c) on or after the expiry of that period of twelve years the Company has published advertisements both in a national daily newspaper and in a newspaper circulating in the area in which the address referred to in sub-paragraph (b) is located, in each case giving notice of its intention to sell the share,
 - (d) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the member or the person entitled by transmission to the share, and
 - (e) the Company has given notice to the London Stock Exchange of its intention to sell the share
- (2) The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisement pursuant to sub-paragraph (1)(c) above, is issued in right of a share to which paragraph (1) applies (or in right of any share to which this paragraph applies) if the conditions set out in sub-paragraphs (1)(b) to (1)(e) are satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above)
- (3) To give effect to any sale, the board may authorise some person to transfer the share to, or in accordance with the directions of the purchaser and the new holder of the share shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings connected with the sale

27 APPLICATION OF PROCEEDS OF SALE

- (1) The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them
- (2) Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investment (other than shares of the Company or its holding company, if any) as the board may from time to time decide
- (3) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds

TRANSFER OF SHARES

28 FORM OF TRANSFER

- (1) Subject to the restrictions in these articles, any member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the board may approve
- (2) The instrument of transfer of a share shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee
- (3) The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of the share

29 RIGHT TO REFUSE TO REGISTER TRANSFERS

- (1) The board may, in its absolute discretion and without giving any reason for its decision, refuse to register any transfer of a share not fully paid up or any transfer of a share on which the Company has a lien. The board may also refuse to register any transfer unless it is
 - (a) in respect of only one class of shares,
 - (b) in favour of no more than four transferees,
 - (c) left at the office, or at such other place as the board may decide, for registration, and
 - (d) accompanied by the certificate for the shares to be transferred (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) and such other evidence (if any) as the board may reasonably require to prove the title of the intending transferor or his right to transfer the shares

- (2) 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, send to the transferee notice of the refusal

30 NO FEE PAYABLE

No fee shall be charged for registration of a transfer or other document or instruction relating to or affecting the title to any share

31 RETENTION OF INSTRUMENTS

All instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the board refuses to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting it

32 RENUNCIATIONS AND OTHER METHODS OF TRANSFER

Nothing in these articles shall preclude

- (a) the board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person, or
- (b) title to any securities of the Company being transferred other than in writing in accordance with such arrangements as may from time to time be permitted by the Statutes and approved by the board

TRANSMISSION OF SHARES

33 TRANSMISSION ON DEATH

If a member dies, the survivor, where the deceased was a joint holder, and his personal representatives where he was a sole or the only surviving holder, shall be the only person or persons recognised by the Company as having any title to his shares, but nothing 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

34 ELECTION OF PERSON ENTITLED BY TRANSMISSION

- (1) A person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to a transmission by operation of law may, on producing such evidence as the board may require and subject as provided in this article, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the holder of the share
- (2) If he elects to be registered himself, he shall give to the Company a notice signed by him to that effect. If he elects to have another person registered, he shall execute a transfer of the share to that person

- (3) All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the person from whom the title by transmission is derived and the event giving rise to such transmission had not occurred

35 RIGHTS OF PERSON ENTITLED BY TRANSMISSION

- (1) A person becoming entitled to a share in consequence of a death or bankruptcy or of any other event giving rise to a transmission by operation of law shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share and shall have the same rights in relation to the share as he would have if he were the holder except that, until he becomes the holder, he shall not be entitled to attend or vote at any meeting of the Company or any separate general meeting of the holders of any class of shares in the Company
- (2) The board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if after ninety days the notice has not been complied with, the board may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with

DISCLOSURE OF INTERESTS IN SHARES

36 DISCLOSURE OF INTEREST IN SHARES

- (1) This article applies where the Company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 793 of the Act (a "section 793 notice")
- (2) If a section 793 notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non receipt of the copy by the holder shall not prejudice the operation of the following provisions of this article
- (3) If the holder of, or any person appearing to be interested in, any share has been served with a section 793 notice and, in respect of that share (a "default share"), has been in default for the relevant period in supplying to the Company the information required by the section 793 notice, the restrictions referred to below shall apply Those restrictions shall have effect for the period decided by the board, to expire not more than seven days after the earlier of
- (a) the information required by the section 793 notice has been received in writing by the Company to the satisfaction of the board at the address supplied by the Company in the section 793 notice or otherwise expressly supplied by the Company for the purpose of receiving such information,
 - (b) the Company is notified that the default shares are the subject of a market transfer, or

- (c) the board decides to waive those restrictions, in whole or in part
- (4) The restrictions referred to above are as follows
 - (a) if the default shares in which any one person is interested or appears to the Company to be interested represent less than 0.25 per cent of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting or at any separate general meeting of the holders of any class of shares in the Company, or to exercise any other right conferred by membership in relation to meetings of the Company, or
 - (b) if the default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25 per cent of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares
 - (i) to attend or to vote, either personally or by proxy, at any general meeting or at any separate general meeting of the holders of any class of shares in the Company, or to exercise any other right conferred by membership in relation to meetings of the Company, or
 - (ii) to receive any dividend or other distribution, or
 - (iii) to transfer or agree to transfer any of those shares or any rights in them

The restrictions in sub-paragraphs (a) and (b) above shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under a market transfer

- (5) If any dividend or other distribution is withheld under paragraph (4)(b) above the member shall be entitled to receive it as soon as practicable after the restrictions contained in paragraph (4)(b) cease to apply
- (6) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the Company allots, or procures to be offered, pro rata (disregarding fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer
- (7) For the purposes of this article

- (a) a "market transfer" in relation to any share is a transfer pursuant to
 - (i) a sale made through a market of a recognised investment exchange (as defined in section 285 Financial Services and Markets Act 2000) or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded, or
 - (ii) a sale of the whole beneficial interest in the share to a person whom the board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share, or
 - (iii) a takeover offer (within the meaning of section 974 of the Act) which relates to the share,
 - (b) the "relevant period" shall be, in a case falling within paragraph (4)(a) above, 28 days and, in a case falling within paragraph (4)(b) above, 14 days after the date of service of the section 793 notice,
 - (c) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 793 notice is given, and
 - (d) a person shall be treated as appearing to be interested in any share if the Company has given to the member holding such share a section 793 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 793 notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share
- (8) The provisions of this article are without prejudice to the provisions of sections 794 and 795 of the Act and, in particular, the Company may apply to the court under section 794(1) whether or not these provisions apply or have been applied

GENERAL MEETINGS

37 ANNUAL GENERAL MEETINGS

The board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Statutes

38 GENERAL MEETINGS

All general meetings other than annual general meetings shall be called general meetings

39 CONVENING OF GENERAL MEETINGS

- (1) The board may convene a general meeting whenever it thinks fit

- (2) A general meeting may also be convened in accordance with article 79
- (3) A general meeting shall also be convened by the board on the requisition of members pursuant to the provisions of the Statutes or, in default, may be convened by such requisitionists, as provided by the Statutes
- (4) The board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company

40 **GENERAL MEETINGS AT MORE THAN ONE PLACE**

- (1) A general meeting may be held at more than one meeting place if the board so resolves. A general meeting held at more than one meeting place shall be duly constituted and its proceedings valid if (in addition to the provisions of the Statutes and other provisions in these articles relating to meetings) the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that each person present at each meeting place is able to
 - (a) participate in the business for which the meeting has been convened,
 - (b) hear and see all persons who speak (by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise, whether such equipment is in use when these articles are adopted or developed subsequently) in each meeting place, and be heard and seen by all other persons so present in the same way, and
 - (c) (in accordance with his rights under the Statutes and these articles) vote on a show of hands and on a poll
- (2) The meeting shall be deemed to take place at the meeting place at which the chairman is present (the "**principal venue**")
- (3) Article 47 shall apply to any interruption or adjournment of a meeting which is being held at more than one meeting place
- (4) Each person present at each meeting place shall be counted in the quorum for, and be entitled to vote at, the general meeting if they would be so entitled were the meeting to be held in one place

41 **OTHER ARRANGEMENTS FOR VIEWING/HEARING PROCEEDINGS**

The board may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of, and to speak at, that meeting (in the manner set out in article 40) from a location which is not classified as a meeting place. The persons attending at any such location shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting. If, for any reason, any person present at such a

location is not able to view or hear all or any of the proceedings, or to speak at, the meeting, the proceedings of the meeting shall still be valid

NOTICE OF GENERAL MEETINGS

42 LENGTH AND FORM OF NOTICE

- (1) Save as permitted or required by the Statutes, a general meeting shall be called by notice of at least 21 clear days in the case of an annual general meeting and of at least 14 clear days in the case of any other general meeting
- (2) The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted
- (3) Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each directors

43 OMISSION OR NON-RECEIPT OF NOTICE

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

PROCEEDINGS AT GENERAL MEETINGS

44 QUORUM

- (1) No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business
- (2) Except as otherwise provided by these articles two members present in person or by proxy and entitled to vote on a poll shall be a quorum
- (3) If within fifteen minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, subject to the Statutes, the meeting shall stand adjourned to such place, day, and time as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman may decide
- (4) If at an adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting, the meeting shall be dissolved

45 CHAIRMAN

At each general meeting, the chairman of the board or, if he is absent or unwilling, the deputy chairman (if any) of the board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy

chairman is present and willing, that one of the other directors who is appointed for the purpose by the board or (failing appointment by the board), by the members present, shall preside as chairman of the meeting, but if no director is present within fifteen minutes after the time fixed for holding the meeting or, if none of the directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting

46 DIRECTORS ENTITLED TO ATTEND AND SPEAK

Whether or not he is a member, a 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 of the Company

47 ADJOURNMENT

- (1) With the consent of any meeting at which a quorum is present the chairman of the meeting may (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place
- (2) In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion it would facilitate the conduct of the business of the meeting to do so
- (3) Nothing in this article shall limit any other power vested in the chairman to adjourn the meeting
- (4) Whenever a meeting is adjourned for thirty days or more, at least fourteen clear days notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting but otherwise no person shall be entitled to any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting except as may be required by the Statutes
- (5) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place

48 METHOD OF VOTING AND DEMAND FOR POLL

- (1) At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before, or immediately after the declaration of the result of, the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by
 - (a) the chairman of the meeting, or
 - (b) at least five members present in person or by proxy having the right to vote on the resolution, or

- (c) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution, or
- (d) a member or members present in person or by proxy holding shares conferring the right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right,

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself

- (2) No poll may be demanded on the appointment of a chairman of the meeting,
- (3) A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and the demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made
- (4) Unless a poll is demanded (and the demand is not withdrawn), a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution

49 HOW POLL TO BE TAKEN

- (1) If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within thirty days after the meeting), at such place and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members)
- (2) A poll demanded on a question of adjournment shall be taken at the meeting without adjournment
- (3) It shall not be necessary (unless the chairman of the meeting otherwise directs) for notice to be given of a poll whether taken at or after the meeting at which it was demanded
- (4) On a poll votes may be given either personally or by proxy and a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way
- (5) The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded

50 CONTINUANCE OF BUSINESS AFTER DEMAND FOR POLL

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded

VOTES OF MEMBERS

51 VOTING RIGHTS

- (1) Subject to any special rights or restrictions attached to any share or class of shares in the Company and to any other provisions of these articles, on a vote on a resolution (whether on a show of hands or on a poll) members, their duly appointed proxies and duly authorised representatives of corporate members shall have voting rights as provided in the Statutes, except that on a vote on a resolution on a show of hands at a meeting a proxy has one vote for and one vote against the resolution if

- (a) the proxy has been duly appointed by more than one member entitled to vote on the resolution, and
- (b) the proxy has been instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more other of those members and wishes to use that discretion to vote in the other way

- (2) Nothing in these articles shall have the effect of permitting votes to be cast in advance on any resolution on a poll taken at a meeting

52 REPRESENTATION OF CORPORATIONS

Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of members of the Company in accordance with the Statutes. The board or any director or the secretary may (but shall not be bound to) require such a person to produce the original (or a certified copy of) the resolution of authorisation or such other evidence of appointment as the board or any director or the secretary shall decide

53 VOTING RIGHTS OF JOINT HOLDERS

If more than one of the joint holders of a share tenders a vote on the same resolution, whether personally or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the relevant share

54 RIGHTS OF MEMBERS INCAPABLE OF MANAGING THEIR AFFAIRS

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other

person in the nature of a receiver or curator bonis appointed by that court, and the receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the board of the authority of the person claiming the right to vote shall be produced at the office (or at such other place as may be specified for the delivery or receipt of appointments of a proxy) not later than the last time by which an appointment of a proxy must be delivered in order to be valid for use at the meeting or adjourned meeting or on the holding of the poll at or on which that person proposes to vote and, in default, the right to vote shall not be exercisable.

55 VOTING RIGHTS SUSPENDED WHERE SUMS OVERDUE

Unless the board otherwise decides, a member shall not be entitled to vote, either in person or by proxy, at any general meeting or at any separate general meeting of the holders of any class of shares in the Company in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid.

56 OBJECTIONS TO ADMISSIBILITY OF VOTES

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is or may be given or tendered, and every vote not disallowed at such meeting or poll shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

57 FAILURE TO VOTE IN ACCORDANCE WITH INSTRUCTIONS

The Company shall have no obligation to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him by the member or members he represents. Any failure by a proxy or corporate representative to vote in accordance with instructions shall not affect the validity of the vote.

PROXIES

58 PROXIES

- (1) A proxy need not be a member of the Company.
- (2) A member may appoint more than one proxy in relation to a meeting, provided that no more than one proxy is appointed per share. The member must specify the number of shares in respect of which each proxy is entitled to exercise rights.
- (3) The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or on the poll concerned.
- (4) No appointment of proxy shall be valid except for the meeting mentioned in it and any adjournment of that meeting (including on any poll demanded at the meeting or any adjourned meeting).

59 FORM OF PROXY

- (1) An appointment of proxy shall be
 - (a) by means of an instrument or (if the Company agrees or is deemed by the Act to have agreed) by electronic means,
 - (b) in any usual or common form or in any other form which the board may from time to time approve, and
 - (c) executed by the appointor or his agent or, if the appointor is a corporation, by a duly authorised officer, attorney or other authorised person or under its common seal
- (2) For the purpose of this article and article 60 a proxy appointment sent or supplied by electronic means shall be in writing unless the board agrees otherwise (or is deemed to have agreed otherwise under the Act) and in such case, if the board so determines, the appointment need not be executed but shall instead be subject to such conditions as the board may approve
- (3) The board may, if it thinks fit, but subject to the Statutes, at the Company's expense send forms of proxy for use at the meeting and issue invitations by electronic means to appoint a proxy in relation to the meeting in such form as the board may approve
- (4) The board may require the production of reasonable evidence of the identity of the member and of the proxy and the member's instructions (if any) as to how the proxy is to vote Where the proxy is appointed (or purports to have been appointed) by a person acting on behalf of the member
 - (a) the Company may treat the appointment as sufficient evidence of authority of that person to execute the appointment on behalf of that member,
 - (b) if requested by or on behalf of the Company at any time, any written authority under which the appointment has been executed (or a copy of such authority certified notarially or in any other way approved by the board) shall be sent to such address and by such time as is required for proxy appointments under article 60(1) and, if the request is not complied with in any respect the appointment may be treated as invalid, and
 - (c) whether or not such a request has been made or complied with, the Company may decide to treat the appointment as invalid in cases where it decides it has insufficient evidence of the authority of the person to execute the appointment on behalf of that member

60 DEPOSIT OF PROXY

- (1) Without prejudice to article 59 the appointment of a proxy shall

- (a) in the case of an instrument, be delivered by hand or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose

- (i) in the notice calling the meeting, or

- (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

at least 48 hours before the time fixed for holding the meeting at which the person named in the appointment proposes to vote, or

- (b) in the case of an appointment of proxy by electronic means be sent to such address as may be given by or on behalf of the Company

- (i) in the notice calling the meeting,

- (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting, or

- (iii) in any invitation to appoint a proxy issued by or on behalf of the Company in relation to the meeting,

subject to any conditions or limitations specified by the Company in accordance with the Act, and shall be received at that address not less than 48 hours before the time appointed for holding the meeting at which the person named in the appointment proposes to vote, or

- (c) in either case, where a poll is taken more than 48 hours after it is demanded, or in the case of an adjourned meeting to be held more than 48 hours after the time fixed for the original meeting, be delivered or received as set out in article 60(1)(a) or 60(1)(b) after the poll has been demanded or meeting adjourned at least 24 hours before the time appointed for the taking of the poll or (as the case may be) holding the meeting, or

- (d) in the case of an instrument, where a poll is not taken at the meeting at which it is demanded but is taken 48 hours or less after it was demanded, or in the case of an adjourned meeting to be held 48 hours or less after the time fixed for the original meeting, be delivered at the meeting at which the poll was demanded or (as the case may be) delivered at the original meeting to the chairman or to the secretary or to any director or as directed at the meeting by the chairman

In calculating the periods mentioned in this article 60(1), the board may decide not to take account of any part of a day that is not a working day

- (2) If two or more valid but differing appointments of proxy are delivered in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to

determine which was last received, none of them shall be treated as valid in respect of that share

61 NOTICE OF REVOCATION OF PROXY

A vote given in accordance with the terms of an appointment of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or the authority under which the proxy was executed or (until entered in the register) the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer was received at the office (or at such other place at which the appointment of proxy was duly deposited) up to six hours before the time fixed for holding the meeting or adjourned meeting (or, in the case of a poll, before the time appointed for the taking of the poll) at which the vote was given

DIRECTORS

62 NUMBER OF DIRECTORS

The directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two nor more than twelve in number

63 DIRECTORS NEED NOT BE MEMBERS

A director need not be a member of the Company

64 AGE OF DIRECTORS

No person shall be disqualified from being appointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice of any resolution

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

65 APPOINTMENT OF DIRECTORS BY THE COMPANY

- (1) Subject to the provisions of these articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not exceed any maximum number fixed by or in accordance with these articles
- (2) No person (other than a director retiring by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless
 - (a) he is recommended by the board, or
 - (b) not less than seven nor more than forty-two days before the date appointed for the meeting there has been given to the Company, by a member (other than the person to be proposed) entitled to vote at the meeting, notice of his intention to

propose a resolution for the appointment of that person, stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors and a notice executed by that person of his willingness to be appointed,

66 SEPARATE RESOLUTIONS FOR APPOINTMENT OF EACH DIRECTOR

Every resolution of a general meeting for the appointment of a director shall relate to one named person and a single resolution for the appointment of two or more persons shall be void, unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it

67 THE BOARD'S POWER TO APPOINT DIRECTORS

The board may appoint any person who is willing to act to be a director, either to fill a vacancy or by way of addition to their number but so that the total number of directors shall not exceed any maximum number fixed by or in accordance with these articles Any director so appointed shall retire from office at the next annual general meeting of the Company, but shall then be eligible for re-appointment

68 RETIREMENT OF DIRECTORS

- (1) At each annual general meeting any director who has been appointed by the board since the previous annual general meeting and any director selected to retire by rotation shall retire from office
- (2) A retiring director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with these articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost
- (3) If at any meeting at which the appointment of a director ought to take place the office vacated by a retiring director is not filled up, the retiring director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost

69 SELECTION OF DIRECTORS TO RETIRE BY ROTATION

- (1) A director holding the office of chief executive shall not be subject to retirement by rotation and in selecting the directors who are to retire by rotation at an annual general meeting any such director and any director who has been appointed by the board since the previous annual general meeting shall be disregarded
- (2) At each annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not an integral multiple of three, the number nearest to

one-third 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

- (3) The directors to retire by rotation at each annual general meeting shall include (so far as is necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election and otherwise shall be the directors who, at the date of the notice of the meeting, have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot
- (4) The names of the directors to retire by rotation shall be stated in the notice of the annual general meeting or in any document accompanying the notice. The directors to retire on each occasion (both as to number and identify) 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 and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time but before the close of the meeting

70 REMOVAL OF DIRECTORS

- (1) The Company may by ordinary resolution of which special notice has been given in accordance with the Statutes, remove any director before his period of office has expired notwithstanding anything in these articles or in any agreement between him and the Company
- (2) A director may also be removed from office by the service on him of a notice to that effect signed by all the other directors, being not less than three in number
- (3) Any removal of a director under this article shall be without prejudice to any claim which such director may have for damages for breach of any agreement between him and the Company

71 VACATION OF OFFICE OF DIRECTOR

Without prejudice to the provisions of these articles for retirement or removal the office of a director shall be vacated

- (a) if he is prohibited by law from being a director, or
- (b) if he becomes bankrupt or he makes any arrangement or composition with his creditors generally, or
- (c) if he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court (whether in the United Kingdom or elsewhere) for his detention or for the appointment of some person to exercise powers with respect to his property or affairs and, in either case, the board resolves that his office be vacated, or

- (d) if for more than nine months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the board, from meetings of the board held during that period and the board resolves that his office be vacated, or
- (e) if he serves on the Company notice of his wish to resignation, in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice

72 EXECUTIVE DIRECTORS

- (1) The board may appoint one or more directors to hold any executive office under the Company (including that of chairman chief executive or managing director) for such period (subject to the provisions of the Statutes) and on such terms as it may decide and may revoke or terminate any appointment so made without prejudice to any claim for damages for breach of any contract of service between the director and the Company
- (2) The remuneration of a director appointed to any executive office shall be fixed by the board and may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of his remuneration as a director
- (3) A director appointed as executive chairman, chief executive or managing director shall automatically cease to hold that office if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. A director appointed to any other executive office shall not automatically cease to hold that office if he ceases to be a director unless the contract or any resolution under which he holds office expressly states that he shall, in which case that cessation shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company

ALTERNATE DIRECTORS

73 POWER TO APPOINT ALTERNATE DIRECTORS

- (1) Each director may appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director shall be subject to the approval of a majority of the directors or a resolution of the board
- (2) An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of which the director appointing him is a member, to attend and vote 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
- (3) 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 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.

- (4) 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, but he shall count as only one for the purpose of determining whether a quorum is present.
- (5) Any person appointed as an alternate director shall vacate his office as alternate director if the director by whom he has been appointed vacates his office as director (otherwise than by retirement at a general meeting of the Company at which he is re-elected) or removes him by notice to the Company or on the happening of any event which if he is or were a director, causes or would cause him to vacate that office.
- (6) Every appointment or removal of an alternate director shall be by notice in writing signed by the appointor (or in any other manner approved by the board) and shall be effective (subject to paragraph (1) above) on delivery at the office, to the secretary or at a meeting of the board.

REMUNERATION, EXPENSES AND PENSIONS

74 REMUNERATION OF DIRECTORS

The directors (other than any director who for the time being holds an executive office or employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as directors such fees not exceeding in aggregate £75,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable under this article shall be distinct from any remuneration or other amounts payable to a director under other provisions of these articles and shall accrue from day to day.

75 SPECIAL REMUNERATION

- (1) The board may grant special remuneration to any director who performs any special or extra services to or at the request of the Company.
- (2) Such special remuneration may be paid by way of lump sum, salary, commission, participation in profits or otherwise as the board may decide in addition to any remuneration provided for by or pursuant to any other article.

76 EXPENSES

A director shall be paid out of the funds of the Company all travelling, hotel and other expenses properly incurred by him in and about the discharge of his duties, including his

expenses of travelling to and from meetings of the board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company. A director may also be paid out of the funds of the Company all expenses incurred by him in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties as a director.

77 PENSIONS AND OTHER BENEFITS

The board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or any such subsidiary or associated company or the relatives or dependants of any such person. For that purpose the board may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement and pay any insurance premiums.

POWERS OF THE BOARD

78 GENERAL POWERS OF THE BOARD TO MANAGE COMPANY'S BUSINESS

- (1) The business of the Company shall be managed by the board which may exercise all the powers of the Company, subject to the provisions of the Statutes, the memorandum, these articles and any ordinary resolution of the Company. No ordinary resolution or alteration of the memorandum or these articles shall invalidate any prior act of the board which would have been valid if the resolution had not been passed or the alteration had not been made.
- (2) The powers given by this article shall not be limited by any special authority or power given to the board by any other article or any resolution of the Company.

79 POWER TO ACT NOTWITHSTANDING VACANCY

The continuing directors or the sole continuing director at any time may act notwithstanding any vacancy in their number, but, if the number of directors is less than the minimum number fixed by or in accordance with these articles, they or he may act for the purpose of filling up vacancies or calling a general meeting of the Company, but not for any other purpose. If no director is able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

80 PROVISIONS FOR EMPLOYEES

The board may exercise any of the powers conferred by the Statutes to make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

81 **POWER TO BORROW MONEY**

- (1) The board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and 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
- (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 (but as regards subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Group (exclusive of any borrowings which are owed by one Group company to another Group company) after deducting the amount of cash deposited will not, without the previous sanction of the Company in general meeting, exceed
 - (a)
 - (i) £10 million in the period from 11 May 1994 up to and including the date of publication of the audited consolidated accounts of the Company and its subsidiary undertakings in respect of financial year ending on 31st March 1995, and
 - (ii) an amount equal to three times adjusted capital and reserves after the end of the period referred to in (a)(i) above, or
 - (b) any higher limit fixed by ordinary resolution of the Company which is applicable at the relevant time
- (3) In this article
 - (A) "adjusted capital and reserves" means the aggregate of
 - (a) the amount paid up on the allotted share capital of the Company, and
 - (b) the amounts standing to the credit of the reserves of the Group (including share premium account and capital redemption reserve), after adding or deducting any balance standing to the credit or debit of the Group's profit and loss account,all as shown in the relevant balance sheet but after
 - (i) making such adjustments as may be appropriate in respect of
 - (a) any variation in the amount of the paid up share capital, the share premium account or capital redemption reserve since the date of the relevant balance sheet and so that for this purpose if any proposed allotment of shares by the Company for cash has been underwritten or agreed to be subscribed then these shares shall be

deemed to have been allotted and the amount (including any premium) of the subscription monies payable (not being monies payable later than six months after the date of allotment) shall be deemed to have been paid up on the date when the issue of the shares was underwritten or agreed to be subscribed (or if the underwriting or subscription agreement was conditional, the date on which it became unconditional),

- (b) any undertaking which was not a subsidiary undertaking at the date of the relevant balance sheet but which would be a subsidiary undertaking if group accounts were prepared as at the relevant time (and as if such time were the end of the Company's financial year) or any undertaking which was a subsidiary undertaking but which would no longer be so if group accounts were to be so prepared at the relevant time,
 - (c) any variation in the interest of the Company in another Group company since the date of the relevant balance sheet,
 - (ii) excluding (so far as not already excluded) minority and other outside interests in any subsidiary undertaking,
 - (iii) deducting
 - (a) the book values of intangible assets except goodwill shown in the relevant balance sheet (as adjusted pursuant to the above provisions of this paragraph), and
 - (b) the amount of any distribution declared, recommended or made by any Group company to a person other than another Group company out of profits accrued up to and including the date of (and to the extent not provided for in) the relevant balance sheet,
 - (iv) adding a sum equal to the amount of goodwill arising on the acquisition of any undertaking or business after the date of the adoption of these articles of association by the Company and remaining part of the Group to the extent that it has been written off against reserves, and
 - (v) making such other adjustments (if any) as the board may consider appropriate or necessary and as are approved by the auditors,
- (B) "borrowings" include the following except in so far as otherwise taken into account

- (a) the principal amount of any debenture (whether secured or unsecured) of a Group company,
- (b) the outstanding amount raised by acceptances under an acceptance credit or bills facility opened by a bank or acceptance house on behalf of or in favour of a Group company, excluding acceptances of trade bills relating to goods purchased in the ordinary course of trading,
- (c) the nominal amount of any share capital and the principal amount of any debenture or borrowing, the beneficial interest in which is not owned by a Group company, to the extent that their payment or repayment is the subject of a guarantee or indemnity by a Group company, and
- (d) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing,

but exclude the following

- (i) borrowings incurred by a Group company for the purpose of repaying within six months of the borrowing all or part of any borrowings made by it or another Group company, pending their application for that purpose during that period,
 - (ii) borrowings incurred by a Group company to finance a contract where a part of the price receivable under the contract by that or another Group company is guaranteed or insured by the Export Credits Guarantee Department (or any other agency or body fulfilling a similar function) or by a person (not being a Group company) carrying on the business of providing credit insurance up to an amount equal to that part of the price which is guaranteed or insured,
 - (iii) a proportionate amount of the borrowings of a Group company which is not a wholly-owned subsidiary of the Company corresponding to the minority or outside interest in it,
 - (iv) borrowings of an undertaking which was not a subsidiary undertaking at the date of the relevant balance sheet, to the extent that those borrowings do not exceed its borrowings outstanding on the date when it became a Group company but only until six months after the date on which the undertaking became a subsidiary undertaking,
 - (v) amounts payable under any hire-purchase agreement, credit sale agreement, finance or other lease or similar agreement,
- (C) "cash deposited" means an amount equal to the aggregate for the time being of all cash deposits with any bank or other person (not being a Group company), (whether on current account or otherwise), the realisable value of certificates of

governments and companies or other readily realisable deposits owned by any Group company except that in the case of any such items owned by a Group company which is not a wholly-owned subsidiary of the Company there shall be excluded a proportionate amount of those items corresponding to the minority or outside interests in it,

- (D) "Group" means the Company and its subsidiary undertakings from time to time,
- (E) "Group company" means any undertaking in the Group, and
- (F) "relevant balance sheet" means the audited consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings comprised in the latest group accounts, and if the Company should prepare its main consolidated balance sheet on the basis of one accounting convention and a supplementary balance sheet on the basis of another, the main one shall be taken as the relevant balance sheet

(4) For the purposes of any calculation under this article

- (a) a borrowing denominated or repayable, or any cash deposited, in a currency other than sterling shall be translated into sterling
 - (i) at the London exchange rate for the date as at which the calculation is being made, or
 - (ii) if it would result in a lower figure, at the London exchange rate on the date of the relevant balance sheet,

and for this purpose the "London exchange rate" for any date is the spot rate of exchange, quoted at or about 11 00 a.m. on the business day before that date by a first class bank in London selected by the board, and

- (b) where under the terms of any borrowing the amount of money that would be required to discharge its principal, amount in full if it fell to be repaid (at the option of the borrower or by reason of default) on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that borrowing for the purpose of this article, the amount of the borrowing to be taken into account shall be the less amount,

(5) The limit imposed under paragraph (2) above shall be deemed not to have been breached until the amount of borrowings has exceeded that limit for 30 consecutive days. This paragraph overrides all other provisions of this article.

(6) A certificate or report by the Company's auditors

- (a) as to the amount of adjusted capital and reserves or the amount of borrowings, or

- (b) to the effect that the limit imposed under this article was not exceeded or breached at a particular date

shall be conclusive evidence as to that amount or fact,

- (7) If the Company has joint auditors, references in this article to the Company's auditors are to any of the joint auditors
- (8) No lender or other person dealing with any Group company need enquire whether the limit imposed under paragraph (2) above has been or will be complied with
- (9) A borrowing or security resulting in a breach of the limit shall not be void nor shall it be voidable at the instance of the Company or any other Group company

82 CHANGE OF NAME

Subject to the Statutes, the Company may change its name by resolution of the board

DELEGATION OF BOARD'S POWERS

83 DELEGATION TO INDIVIDUAL DIRECTORS

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation

84 COMMITTEES

- (1) The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons (whether directors or not) as it thinks fit, provided that the majority of the members of the committee are directors and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors. The board may make any such delegation on such terms and conditions as it thinks fit and may revoke or vary any such delegation and discharge any committee wholly or in part, but no person dealing in good faith shall be affected by any revocation or variation. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may be imposed on it by the board
- (2) The proceedings of a committee with two or more members shall be governed by any regulations imposed on it by the board and (subject to such regulations) by the provisions of these articles regulating the proceedings of the board so far as they are capable of applying

85 LOCAL BOARDS

- (1) The board may establish any local or divisional board or agency for managing any of the affairs of the Company whether in the United Kingdom or elsewhere and may appoint any persons to be members of a local or divisional board, or to be managers or agents, and may fix their remuneration
- (2) The board may delegate to any local or divisional board, manager or agent any of its powers, authorities and discretions (with power to sub-delegate), other than its power to make calls, forfeit shares, borrow money or issue shares or other securities, and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies
- (3) Any appointment or delegation under this article may be made on such terms and subject to such conditions as the board thinks fit and the board may remove any person so appointed, and may revoke or vary any delegation, but no person dealing in good faith shall be affected by the revocation or variation

86 POWERS OF ATTORNEY

The board may by power of attorney or otherwise appoint any person to be the agent of the Company on such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate) The board may remove any person appointed under this article and may revoke or vary the delegation, but no person dealing in good faith shall be affected by the revocation or variation

DIRECTORS' INTERESTS

87 DIRECTORS' PERMITTED INTERESTS

- (1) A director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with the Company or any transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors to the extent required by, and in accordance with, the Statutes
- (2) A director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with a subsidiary undertaking of the Company or any transaction or arrangement that has been entered into by a subsidiary undertaking of the Company shall declare the nature and extent of his interest to the other directors of the Company to the same extent, at the same time and in the same way as article 87(1) would require if the transaction or arrangement were with the Company
- (3) To the extent permitted by the Statutes and the Listing Rules, and provided that he has declared the nature and extent of his interest to the other directors in accordance with article 87(1) or 87(2)

- (a) a director may, notwithstanding his office, enter into, or otherwise be interested in, any transaction or arrangement with the Company (or any of its subsidiary undertakings) or in which the Company (or any of its subsidiary undertakings) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as vendor, purchaser or otherwise,
- (b) a director may, notwithstanding his office, hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the Statutes) and upon such terms as the board may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board may decide, either in addition to or in lieu of any remuneration under any provision of these articles, and
- (c) a director, notwithstanding his office, may act by himself or by his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director

and no director shall, by reason of his holding office as director (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this article 87(3) and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest permitted by this article 87(3)

- (4) For the purposes of articles 87(1) to 87(3) inclusive, an interest of a person who is connected with a director (within the meaning of section 252 of the Act) 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

88 AUTHORISATION OF CONFLICTS OF INTEREST BY THE DIRECTORS

- (1) Any matter (a "**Relevant Matter**") which would otherwise constitute or give rise to a breach by a director of his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as director) may be authorised by the directors to the fullest extent permitted by law in accordance with this article
- (2) In particular (but without limitation) a director may, subject to any authorisation required under this article 88, be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company is interested. Subject to these articles, the board may cause the voting rights conferred by the shares in any company held or owned by the Company to be exercised in such manner in all respects as they think fit (including without limitation in relation to any resolution concerning the appointment of the directors or any of them as directors of,

or the holders of any other office or place of profit with such company, fixing or varying the terms of any such appointment or the termination of any such appointment)

- (3) A proposal that a Relevant Matter be authorised by the directors may be made by any director in accordance with the board's normal procedures (or in such other manner as the directors may approve) No authorisation shall be effective unless
- (a) the quorum requirement at any meeting at which the Relevant Matter is considered is met without counting the director concerned or any other interested director, and
 - (b) the Relevant Matter was agreed to without the director concerned or any other interested director voting (or would have been agreed to if their votes had not been counted)
- (4) Any authorisation of a matter under this article 88 shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently The directors may terminate or vary any authorisation at any time The director concerned must act in accordance with any terms, conditions or limitations specified by the directors in accordance with this article
- (5) Unless otherwise specified by the directors at any time, the terms and conditions on which a Relevant Matter has been authorised shall be deemed to include authority for the director concerned, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Act
- (a) to exclude himself from participation in discussion (whether at meetings of the board or otherwise), or receipt of documents or information, relating to the Relevant Matter and/or to arrange for documents or information relating to the Relevant Matter to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information, and/or
 - (b) not to disclose to the Company, or use in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to the Relevant Matter and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party

This article 88(5) is without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information, attend discussions or receive documents or information

- (6) The directors may specify, as a term of authorisation of any Relevant Matter, that a director is entitled to accept benefits from third parties in relation to the Relevant Matter without breaching section 176 of the Act

- (7) No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the directors in accordance with this article 88. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.
- (8) For the purposes of article 88, references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

89 DIRECTORS' POWERS TO VOTE

- (1) A director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying the terms of appointment), or the termination of his own appointment, as the director of, or the holder of any other office or place of profit with, the Company or any undertaking in which the Company is interested but, where proposals for such resolutions relate to two or more directors, those proposals may be divided and a resolution may be put in relation to each director separately and in such case each of the directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning him.
- (2) Subject to article 89(1) and except as otherwise provided in these articles, a director shall not vote (or be counted in the quorum) in respect of any transaction or arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him, within the meaning of section 252 of the Act) may reasonably be regarded as likely to give rise to a conflict of interest and, if he purports to do so, his vote shall not be counted.
- (3) The prohibition in articles 89(1) and 89(2) shall not apply and a director may (unless otherwise prohibited under these articles) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
 - (a) any contract in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company,
 - (b) the giving of any guarantee, security or indemnity in respect of
 - (i) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings, or
 - (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security,

- (c) any issue or offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings, in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter,
 - (d) any contract relating to any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him, within the meaning of section 252 of the Act) does not hold an interest (as that term is used in Part 22 of the Act) representing one per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company,
 - (e) the adoption, modification or operation of a pension fund, retirement, death or disability benefits scheme or a share option scheme, share incentive scheme or profit sharing scheme under which he may benefit and which either
 - (i) relates both to directors and employees and accords to directors only those privileges and advantages which are generally accorded to the employees to whom the fund or scheme relates, or
 - (ii) has been approved by or is conditional on approval by the Board of Inland Revenue for taxation purposes, and
 - (f) the purchase or maintenance of insurance either for or for the benefit of any director or persons who include directors
- (4) Subject to the Statutes, the Company may by ordinary resolution suspend or relax the restrictions in articles 89(1) and 89(2) to any extent or ratify any contract, transaction or other arrangement not duly authorised by reason of a contravention of those articles
- (5) If any question arises at any meeting as to whether an interest of a director may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting) and his ruling in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and conclusive, except insofar as the nature or extent of the interest of the director concerned, so far as known to him, has not been declared to the directors
- (6) For the purposes of this article 89
- (a) an interest of a person who is connected with a director (within the meaning of section 252 of the Act) 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,

- (b) references to a conflict of interest include a conflict of interest and duty and a conflict of duties,
- (c) 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, and
- (d) references to a contract include references to any proposed contract and to any transaction, arrangement or proposal, whether or not constituting a contract

PROCEEDINGS OF THE BOARD

90 BOARD MEETINGS

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary at the request of a director at any time shall, summon a board meeting.

91 NOTICE OF BOARD MEETINGS

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose or given by electronic means to such address (if any) for the time being notified by him or on his behalf of the Company for that purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing either in hard copy or by electronic means to him (or to his alternate) at an address given by him to the Company for this purpose, but if no such request is made it shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

92 QUORUM

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be two. Subject to the provisions of these articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

93 CHAIRMAN OR DEPUTY CHAIRMAN TO PRESIDE

- (1) The board may appoint a chairman and one or more deputy chairman or chairmen and may at any time revoke any such appointment.
- (2) The chairman, or failing him any deputy chairman (the senior in office taking precedence, if more than one is present), shall, if present and willing, preside at all meetings of the directors but, if no chairman or deputy chairman has been appointed, or if he is not

present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of the meeting, the directors present shall choose one of their number to act as chairman of the meeting

94 COMPETENCE OF MEETINGS

A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board

95 VOTING

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

96 TELEPHONE

- (1) A meeting of the board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able

- (a) to hear each of the other participating directors addressing the meeting, and
- (b) if he so wishes, to address all of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or developed subsequently) or by a combination of such methods

- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of article 79

- (3) A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates

97 RESOLUTIONS IN WRITING

A resolution in writing, executed by all the directors entitled to notice of and to vote at a board meeting (provided that their number is sufficient to constitute a quorum) shall be as valid and effective as a resolution passed at a board meeting duly convened and held. For this purpose

- (a) a resolution may be by means of an instrument or in electronic form sent to such address (if any) for the time being notified by the Company for that purpose,

- (b) a resolution may consist of several instruments or several communications in electronic form, each executed by one or more directors, or a combination of both,
- (c) a resolution executed by an alternate director need not also be executed by his appointor, and
- (d) a resolution executed by a director who has appointed an alternate director need not also be executed by the alternate director in that capacity

98 **VALIDITY OF ACTS OF DIRECTORS IN SPITE OF FORMAL DEFECT**

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

99 **MINUTES**

The board shall cause minutes to be made in books kept for the purpose

- (a) of all appointments of officers made by the board,
- (b) of the names of all the directors present at each meeting of the board and of any committee, and
- (c) of all resolutions and proceedings of all meetings of the Company and of any class of members, and of the directors and of any committee

SECRETARY

100 **SECRETARY**

The secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it thinks fit, and the board may remove from office any person so appointed (without prejudice to any claim for damages for breach of any contract between him and the Company),

SEAL

101 **SEAL**

- (1) The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the board
- (2) The board shall provide for the safe custody of every seal of the Company

- (3) A seal shall be used only by the authority of the board or a duly authorised committee but that authority may consist of an instruction or approval given by in electronic form, in hard copy form or by telephone by a majority of the directors or of the members of a duly authorised committee
- (4) The board may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means
- (5) Unless otherwise decided by the board
 - (a) certificates for shares, debentures or other securities of the Company to which a seal is applied need not be signed, and
 - (b) every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors

DIVIDENDS

102 DECLARATION OF DIVIDENDS BY THE COMPANY

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, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the board

103 FIXED AND INTERIM DIVIDENDS

The board may pay such interim dividends as appear to the board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the Company, in the opinion of the board, justifies its payment. If the board acts in good faith, none of the directors shall incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights

104 CALCULATION AND CURRENCY OF DIVIDEND

- (1) Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide
 - (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share,

- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, and
 - (c) dividends may be declared or paid in any currency
- (2) The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved

105 **METHOD OF PAYMENT**

- (1) The Company may pay any dividend or other sum payable in respect of a share in cash or by cheque, dividend warrant, or money order and may send the same by post to the registered address of the holder or in the case of joint holders to the registered address of that person whose name stands first in the register, or to such person and address as the holder or joint holders may direct in writing Every cheque, warrant, or order is sent at the risk of the person entitled to the money represented by it and shall be made payable to or to the order of the person or persons entitled and the payment of the cheque, warrant or order shall be a good discharge to the Company
- (2) In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or by such other means and to or through such person as the holder or joint holders may direct in writing, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or when it has acted on any such direction
- (3) Any joint holder or other person jointly entitled to any share may give an effective receipt for all dividends and other moneys paid in respect of the share
- (4) Any dividend or other sum payable in respect of a share may be paid to a person or persons entitled by transmission to that share as if he or they were the holder or joint holders of that share and his address (or the address of the first named of two or more persons jointly entitled) noted in the register were the registered address

106 **DIVIDENDS NOT TO BEAR INTEREST**

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attached to the shares

107 **CALLS OR DEBTS MAY BE DEDUCTED FROM DIVIDENDS**

The board may deduct from any dividend or other moneys payable to any person (either alone or jointly with another) on or in respect of a share all such sums as may be due

from him (either alone or jointly with another) to the Company on account of calls or otherwise in relation to shares of the Company

108 UNCLAIMED DIVIDENDS ETC

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the board for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having become due for payment shall be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee in respect of it.

109 UNCASHED DIVIDENDS

If a cheque, warrant or order for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it is returned to the Company or left uncashed and after reasonable enquiries, the Company is unable to establish any new address for that person or if such a cheque, warrant or order is returned to the Company or left uncashed on two consecutive occasions, the Company shall not be obliged to send any dividends or other sums payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

110 DIVIDENDS IN SPECIE

- (1) With the sanction of an ordinary resolution of the Company and on the recommendation of the board payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company.
- (2) Where any difficulty arises in regard to the distribution, the board may settle the difficulty as it thinks fit and in particular may issue fractional certificates or ignore fractions, and may fix the value for distribution of the specific assets or any part of them, and may determine that cash payments be made to any members upon the footing of the value so fixed in order to secure equality of distribution, and may vest any of the specific assets in trustees upon such trusts for the persons entitled to the dividend as the board may think fit.

111 SCRIP DIVIDENDS

- (1) The board may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive further ordinary shares, credited as fully paid, instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution (a "scrip dividend") in accordance with the following provisions of this article.
- (2) The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period but such period may not end later than the conclusion of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed.

- (3) The basis of allotment shall be decided by the board so that, as nearly as may be considered convenient, the value of the further ordinary shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid (disregarding the amount of any associated tax credit)
- (4) For the purposes of paragraph (2) above the value of the further ordinary shares shall be calculated by reference to the middle-market quotation for a fully paid share of the relevant class, adjusted if necessary for the proposed dividend, as shown in the Daily Official List published by the London Stock Exchange for the five business days immediately preceding or following the announcement of the cash dividend to which the scrip dividend relates, as the directors may decide
- (5) The board shall give notice to the ordinary shareholders of their rights of election in respect of the scrip dividend and shall specify the procedure to be followed in order to make an election
- (6) The dividend or that part of it in respect of which an election for the scrip dividend is made shall not be paid and instead further ordinary shares shall be allotted in accordance with elections duly made and the board shall capitalise a sum equal to the aggregate nominal amount of the shares to be allotted out of such sums available for the purpose as the directors may consider appropriate
- (7) The further ordinary shares so allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except as regards participation in the relevant dividend
- (8) The board may decide that the right to elect for any scrip dividend shall not be made available to shareholders resident in any territory where, in the opinion of the board, compliance with local laws or regulations would be unduly onerous
- (9) The board may do all acts and things considered necessary or expedient to give effect to the provisions of a scrip dividend election and the issue of any ordinary shares in accordance with the provisions of this article, and may make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the members concerned)
- (10) The board may from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may, in respect of any future dividends for which a right of election pursuant to this article is offered, elect to receive ordinary shares in lieu of such dividend on the terms of such mandate
- (11) The board shall not make a scrip dividend available unless the Company has sufficient undistributed profits or reserves to give effect to elections which could be made to receive that scrip dividend

CAPITALISATION OF RESERVES

112 CAPITALISATION OF RESERVES

- (1) The board may, with the authority of an ordinary resolution of the Company
 - (a) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution), and
 - (b) appropriate that sum as capital to the ordinary shareholders in proportion to the nominal amount of the ordinary share capital held by them respectively and apply that sum on their behalf in paying up in full any unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by the resolution provided that the share premium account and the capital redemption reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up unissued shares to be allotted credited as fully paid up
- (2) Where any difficulty arises in respect of any distribution of any capitalised reserve or other sum, the board may settle the difficulty as it thinks fit and in particular may make such provisions as it thinks fit in the case of shares or debentures becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than the members concerned) or ignore fractions and may fix the value for distribution of any fully paid up shares or debentures and may determine that cash payments be made to any members on the footing of the value so fixed in order to secure equality of distribution, and may vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as the board may think fit
- (3) The board may also authorise any person to sign on behalf of the persons entitled to share in the distribution contract for the acceptance by those persons of the shares or debentures to be allotted to them credited as fully paid under a capitalisation and any such contract shall be binding on all those persons

113 CAPITALISATION OF RESERVES - EMPLOYEES' SHARE SCHEMES

- (1) This article (which is without prejudice to the generality of the provisions of the immediately preceding article) applies

- (a) where a person is granted pursuant to an employees' share scheme a right to subscribe for shares in the Company in cash at a subscription price less than their nominal value, and
 - (b) where, pursuant to an employees' share scheme, the terms on which any person is entitled to subscribe in cash for shares in the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value
- (2) In any such case the board
 - (a) shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares (the "cash deficiency") from the profits or reserves of the Company which are available for distribution and not required for the payment of any preferential dividend, and
 - (b) (subject to paragraph (4) below) shall not apply that reserve account for any purpose other than paying up the cash deficiency upon the allotment of those shares
- (3) Whenever the Company is required to allot shares pursuant to such a right to subscribe, the board shall (subject to the Statutes) appropriate to capital out of the reserve account an amount equal to the cash deficiency applicable to those shares, apply that amount in paying up the deficiency on the nominal value of those shares and allot those shares credited as fully paid to the person entitled to them
- (4) If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the cash deficiency applicable to those shares
- (5) No right shall be granted under any employees' share scheme under paragraph (1)(a) and no adjustment shall be made as mentioned in paragraph (1)(b) unless there are sufficient profits or reserves of the Company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this article of an amount sufficient to pay up the cash deficiency applicable to the shares concerned

RECORD DATES

114 FIXING OF RECORD DATES

- (1) Notwithstanding any other provision of these articles, but without prejudice to any rights attached to any shares, the Company or the board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made

- (2) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made

NOTICES

115 NOTICES IN WRITING

Any notice, document or information to be given to or by any person under these articles (other than a notice calling a meeting of the board) shall be in writing, except where otherwise expressly stated in these articles or provided in the Statutes

116 NOTICES AND COMMUNICATIONS TO THE COMPANY

- (1) Except where otherwise expressly stated in these articles or agreed (or deemed to have been agreed in accordance with the Act) by the Company, any notice, document or information to be given to the Company under these articles shall be in hard copy form or (if the Company agrees or is deemed by the Act to have agreed) in electronic form. Any such notice, document or information shall

(a) if sent by electronic means, be sent or supplied to such address (if any) for the time being specified by the Company for the purpose (or deemed by the Act to have been so specified), and

(b) if sent otherwise than by electronic means, be sent or supplied to the office or such other address (if any) for the time being specified by the Company for the purpose, by posting a pre-paid envelope containing the notice, document or information to that address or by leaving the notice, document or information at that address

- (2) Section 1147 of the Act shall not apply to documents or information sent to the Company for the purposes of the Companies Acts or these articles

117 NOTICES AND COMMUNICATIONS BY THE COMPANY

- (1) Except where these articles expressly require otherwise, any notice, document or information to be given, sent or supplied by the Company may be given, sent or supplied in accordance with the Act (whether authorised or required to be sent or supplied by the Companies Acts or otherwise) including, without limitation, in hard copy form, in electronic form or by means of a website

- (2) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him or an address to which notices may be sent by electronic means shall be entitled to receive notices and other documents from the Company at that address, but, unless he does so, shall not be entitled to receive any notice from the Company. Without limiting the previous sentence, any notice of a general meeting of the Company which is in fact

sent or purports to be sent to such address shall be ignored for the purposes of determining the validity of proceedings at such meeting

- (3) The board may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic communications for the giving of notices, other documents and proxy appointments by the Company to members or persons entitled by transmission and by members or persons entitled by transmission to the Company
- (4) Proof that an envelope containing a notice, document or information was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was given Proof that a notice, document or information sent by electronic means was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these articles, or, if the board so resolves, any subsequent guidance so issued, shall be conclusive evidence that the notice, document or information was sent or given A notice, document or information sent by the Company to a member by post shall be deemed to be given or delivered
 - (a) if sent by first class post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted,
 - (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom), on the third day following that on which the envelope containing it was posted,
 - (c) in any other case, on the second day following that on which the envelope containing it was posted
- (5) A notice, document or information sent or supplied by the Company to a member by electronic means shall be deemed given or delivered to the member on the day following that on which the notice, document or information was sent to the member Such notice, document or information shall be deemed given by the Company to the member on that day notwithstanding that the Company becomes aware that the member has failed to receive it for any reason and notwithstanding that the Company subsequently sends a copy of such notice, document or information by post to the member
- (6) A notice, document or information sent or supplied by the Company by means of a website shall be deemed given or delivered to the intended recipient when
 - (a) the material is first made available on the website, or
 - (b) if later, when the recipient receives (or, in accordance with this article 117, is deemed to have received) notification of the fact that the material is available on the website

118 NOTICE TO JOINT HOLDERS

In the case of joint holdings, all notices, documents and information shall be given or sent to the joint holder whose name appears first in the register and this shall be sufficient delivery to all the joint holders in their capacity as such

119 NOTICE TO PERSONS ENTITLED BY TRANSMISSION

A notice, document or information may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice, document or information may be given in any manner in which it might have been given if the death or bankruptcy had not occurred whether or not the Company has notice of the transmission event

120 DISRUPTION OF POSTAL SERVICES

If there is a suspension or curtailment of postal services within the United Kingdom or some part of the United Kingdom, the board may decide that notice of any general meeting need only be given to

- (1) the directors,
- (2) the Company's auditors,
- (3) those members to whom notice to convene the general meeting can validly be sent by electronic means, and
- (4) those members to whom notice to convene the general meeting can validly be sent by means of a website and to whom notification as to the availability of the notice of meeting on a website can validly be sent by electronic means

In any such case the Company shall also

- (5) advertise the notice in at least one newspaper with a national circulation,
- (6) make the notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment of the meeting, and
- (7) send or supply by post either a confirmatory copy of the notice to those members who would otherwise have received the notice in hard copy form or a confirmatory notification of the availability of the notice on a website, in the case of any members to whom notice to convene a general meeting can validly be sent by means of a website but to whom notification of the availability of the notice of meeting on the website cannot validly be sent by electronic means, if at least six clear days before the meeting the sending or supply of notices and other

documents by post to addresses throughout the United Kingdom has again become practicable

121 DEEMED NOTICE

A member present in person at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

122 SUCCESSORS IN TITLE BOUND BY NOTICE TO PREDECESSOR

- (1) Every person who becomes entitled to a share shall be bound by any notice (other than a notice given under section 793 of the Act) in respect of that share which, before his name is entered in the register, was given to the person from whom he derives his title
- (2) Except when the subject or context otherwise requires, in articles 117 (1), (2), (3), (4), (5), 118 and 119 references to a notice include without limitation references to any notification required by the Statutes in relation to the publication of any notices or other documents on a website

123 STATUTORY REQUIREMENTS

Nothing in these articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner

124 RECORD DATE FOR DELIVERY

- (1) For the purposes of giving notices of meetings or other documents, whether under these articles, under any Statute or any other statutory instrument, or otherwise, the Company may determine that persons entitled to receive such notices, documents or information are those persons entered on the register at the close of business on a day determined by it
- (2) The day determined by the Company under article 124(1) may not be more than 15 days before the day that the notice of the meeting or other document or information is sent
- (3) For the purposes of determining which persons are entitled to attend and/or vote at a meeting, and how many votes such persons may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend and/or vote at the meeting. In calculating the period mentioned in this article 124(3), no account shall be taken of any part of a day that is not a working day

DESTRUCTION OF DOCUMENTS

125 DESTRUCTION OF DOCUMENTS

- (1) The board may authorise or arrange the destruction of documents held by the Company as follows

- (a) at any time after the expiration of six years from the date of registration, all instruments of transfer of shares and all other documents transferring or purporting to transfer shares or representing or purporting to represent the right to be registered as the holder of shares on the faith of which entries have been made in the register,
 - (b) at any time after the expiration of one year from the date of cancellation, all registered share certificates which have been cancelled,
 - (c) at any time after the expiration of two years from the date of recording them, all dividend mandates and notifications of change of address, and
 - (d) at any time after the expiration of one year from the date of actual payment all paid dividend warrants and cheques
- (2) It shall conclusively be presumed in favour of the Company that
 - (a) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made,
 - (b) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,
 - (c) every share certificate so destroyed was a valid certificate duly and properly cancelled,
 - (d) every other document mentioned in paragraph (1) above so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company, and
 - (e) every paid dividend warrant and cheque so destroyed, was duly paid
- (3) The provisions of paragraph (2) above shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant
- (4) Nothing in this article shall be construed as imposing on the Company or the board any liability in respect of the destruction of any document earlier than as stated in paragraph (1) above or in any other circumstances in which liability would not attach to the Company or the board in the absence of this article
- (5) References in this article to the destruction of any document include references to its disposal in any manner

INDEMNITY

126 INDEMNITY OF OFFICERS

Subject to the provisions of and to the extent permitted by the Statutes, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office but

- (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person, and
- (b) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, to the intent that the indemnity shall not apply where an alternative right of recovery is available and capable of being enforced

PREFERENCE SHARES

127 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO THE PREFERENCE SHARES

(1) Income

- (a) The profits which the Company may decide to distribute shall be applied in paying to each holder of a preference share in priority to any payment to the holders of ordinary shares, a fixed cumulative preference dividend (the "preferential dividend") at the rate of 4 per cent per annum (excluding the amount of any associated tax credit) on the amount for the time being paid up on that preference share
- (b) The preferential dividend accrues from day to day and is payable half-yearly in equal amounts on 31st March and 30th September in each year (each a "dividend payment date") (or if any dividend payment date is a Saturday, a Sunday or a day which is a public holiday in England on the next date which is not such a day) in respect of the half-year ending on those respective dates, except that the first preferential dividend in respect of any preference share is payable on the dividend payment date next following the date of allotment of that preference share and is payable on a pro rata basis in respect of the period from the date of its allotment to that dividend payment date (both dates inclusive)
- (c) The preferential dividend is payable to holders on the register at any date up to 42 days before the relevant dividend payment date and which is selected by the board
- (d) A preference share does not entitle the holder to any further rights of participation in the profits of the Company

(2) Capital

- (a) On a return of capital on a winding up (but not otherwise) the assets of the Company available for distribution to its members shall be applied in paying to each holder of a preference share in priority to any payment to the holders of ordinary shares in the Company a sum equal to all arrears and accruals (if any) of the preferential dividend whether or not the preferential dividend has been earned or declared, calculated down to and including the date of the commencement of the winding-up together with a sum equal to the capital paid up on that preference share
- (b) A preference share does not entitle the holder to any further rights of participation in the capital of the Company

(3) Redemption

- (a) At any time during the period commencing on the date of allotment of any of the preference shares and ending on 31st December 2000, the Company may (subject to the Statutes) redeem any preference share for the time being in issue in accordance with this article and the Company shall (subject to the Statutes) redeem in accordance with this article any preference share remaining in issue following 31st December 2000 as soon thereafter as it shall be lawful for it to do so
- (b) At any time during the period commencing on the date of allotment of any of the preference shares and ending on 31st December 2000, the holder of a preference share may (subject to the Statutes) require the Company to redeem any preference share for the time being in issue held by him in accordance with this article
- (c) The Company shall give notice in writing to each holder of preference shares in respect of any preference shares to be redeemed under paragraph (a) The holder of any preference shares shall give notice in writing to the Company in respect of any preference shares held by him to be redeemed under paragraph (b) (Any such notice, whether given by the Company or a holder of any preference shares, being a "redemption notice") A redemption notice shall specify the particular preference shares to be redeemed and the date when the redemption is to be effective (the "redemption date") being at least 5 days (but no more than 21 days) after the date of the relevant notice under this paragraph (or such other period as may be agreed in writing between the Company and holder of the preference shares to be redeemed) No redemption notice shall be given by a preference shareholder or (as the case may be) the Company in respect of a preference share if the Company or (as the case may be) the relevant preference shareholder has given a redemption notice in respect of that share pending redemption of that share in accordance with the relevant redemption notice

- (d) If any redemption date would otherwise fall on a Saturday, a Sunday or a day which is a public holiday in England, then, the redemption date shall be the next date which is not such a day
- (e) If only some of the preference shares are to be redeemed on any redemption date under paragraph (a), the particular preference shares to be redeemed shall be a proportionate part, as nearly as practicable, of each separate holding of preference shares
- (f) Subject to the Statutes and to delivery on the redemption date to the registered office of the Company (or such other place as may be agreed in writing between the Company and each holder of each preference share to be redeemed) of the certificate for (or such other evidence (if any) as the board may reasonably require to prove title to) each preference share specified in the relevant redemption notice to be redeemed, the Company shall redeem that share and pay to (or to the order of) the holder (or in the case of joint holders, the holder whose name first appears in the register in respect of that preference share) the amount due to him in respect of that redemption by cheque by post (or other means of delivery as may be agreed in writing between the Company and that holder) at the risk of that holder
- (g) No charge shall be made to the holder for a new certificate for (or other evidence which may reasonably be required to prove title to) preference shares which are not to be redeemed but which were included in a certificate (or in such other evidence of title) delivered to the Company under this article
- (h) On each preference share to be redeemed under this article the Company shall pay the sum of £1 together with a sum equal to all arrears and accruals of the preferential dividend on that share calculated down to and including the relevant redemption date and to be payable irrespective of whether or not that dividend has been declared or earned or become due and payable
- (i) As from the relevant redemption date of a preference share to be redeemed under this article the preferential dividend shall cease to accrue on that preference share, unless on presentation of the documents relating to it (as required by paragraph (f)), payment of the money due at the redemption is refused, in which case the preferential dividend on that share shall be deemed to have accrued and shall continue to accrue from and excluding the redemption date to and including the date of payment
- (j) Upon the redemption of any preference shares pursuant to this article (3), the board may pursuant to the authority given by the passing of the resolution to create the preference shares consolidate and/or sub-divide and/or convert the authorised preference share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a

like nominal amount (as nearly as may be) as the shares of such class then in issue

(4) purchase

- (a) The Company may (subject to the Statutes) at any time purchase preference shares (i) by tender (available alike to all holders of preference shares) or (ii) by private treaty
- (b) All preference shares purchased under this article (4) will be cancelled and may not be reissued

(5) Voting

- (a) Each preference share entitles the holder to receive notice of, but does not entitle the holder to attend and vote at, general meetings of the Company unless
 - (i) at the date of the notice convening the meeting the preferential dividend is six months or more in arrear (for which purpose the preferential dividend is deemed to be payable on each dividend payment date), or
 - (ii) the business of the meeting includes the consideration of a resolution for winding-up the Company or any resolution directly or indirectly modifying or varying any of the special rights, privileges or restrictions attached to the preference shares, or
 - (iii) following the redemption date in respect of that share calculated in accordance with article (3)(c) and delivery to the Company of the relevant documents under article (3)(f) in respect of that share in accordance with that article, the Company does not pay to the holder of that share the amount due in respect of the redemption of that share
- (b) If a holder is entitled to attend and vote as a result of (a)(i) or (a)(iii) above, he may vote in respect of any resolution considered at the meeting
- (c) If a holder is entitled to attend and vote as a result of (a)(ii) above only, he may vote in respect of a resolution referred to in (a)(ii) above only
- (d)
 - (i) On a show of hands each holder of preference shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member, shall have one vote, and
 - (ii) on a poll, each holder of preference shares who (being an individual) is present in person or by a proxy or (being a corporation) by a duly

authorised representative, not being himself a member, shall have one vote for every preference share held by him

(6) Other matters

The Company shall at the same time send to the holders of the preference shares a copy of every document sent to the holders of ordinary shares