

Company No : 3246469

Amr

THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED
BY SHARES

ARTICLES OF ASSOCIATION

of

OXFORD APPLIED GENETICS LIMITED

(As adopted by a Special Resolution passed on
28 May 1997)



THE COMPANIES ACTS 1985 and 1989

COMPANY LIMITED BY SHARES

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PRELIMINARY

1. In these Articles:-

1.1 "the Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.

1.2 "Table A" means Table A in the Companies (Tables A-F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985.

1.3 the following expressions shall bear the following meanings:

"Business Sale"	the sale or transfer by the Company of the whole or substantially all of its undertaking or assets;
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"Employee Benefit Trust"	a trust established by the Company or any of its subsidiaries for the benefit of its employees and former employees from time to time and the wives, husbands,
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widows, widowers and children and step-children under the age of eighteen of such employees and former employees (other than a Profit Sharing Trust);

"Group"

the Company and its subsidiaries (if any);

"Listing"

the admission of any shares in the capital of the Company to the Official List of the London Stock Exchange or the granting of permission for the same to be dealt in on any recognised investment exchange (as defined in Section 207 of the Financial Services Act 1986);

"London Stock Exchange"

means London Stock Exchange Limited;

"Ordinary Shares"

the Ordinary Shares of 10p each in the capital of the Company from time to time;

"Preference Shares"

the Redeemable Convertible Preference Shares of 10p each in the capital of the Company from time to time;

"Profit Sharing Trust"

a Profit Sharing Scheme established by the Company by Trust Deed and Rules and approved by the Inland Revenue

pursuant to the Income and Corporation Taxes Act 1988;

"Redemption Triggering Event"

a Business Sale, a Sale or a Listing;

"Sale"

the sale of any of the share capital of the Company to any person resulting in that person together with any person acting in concert (as defined in the City Code on Takeovers and Mergers) with such person holding shares carrying on a poll more than 50% of the voting rights attaching to the share capital of the Company;

"Share Issue"

any issue of Ordinary Shares after the date of adoption of these Articles other than an issue which is contemplated by Clauses 2.1.7 or 3.2 or the proviso to Clause 5.3.1 of the Shareholders' Agreement;

"the Shareholders' Agreement"

the Shareholders' Agreement dated 30 April 1997 made between the Company (1), the Chancellor, Masters and Scholars of the University of Oxford (2), Wellcome Trust Limited (3), N J Cross (4), J S Cross (5), I M Laing (6), C E Laing (7) Professor J Bell (8), Professor M Lathrop (9), Dr T Nicholls (10) Dr M

Edwards (11), J J Noble (12)
and Dr J L Gordon (13);

"Share Option Scheme" any share option scheme established by the Company which qualifies as an employees' share scheme under the Act.

1.4 References to statutory provisions in these Articles shall be deemed also to refer to any statutory provisions amending or replacing the same.

2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.

2.2. Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

SHARE CAPITAL

3. The share capital of the Company is £4,650,000 divided into 12,000,000 Preference Shares and 34,500,000 Ordinary Shares.

The rights attaching to the respective classes of shares shall be as follows:-

3.1 Income

3.1.1 The Preference Shares shall entitle the holders thereof, in priority to any dividend or return of capital on any other class of shares, to a

fixed cumulative preferential dividend on the capital for the time being paid up thereon at the rate of 1% per annum, such dividend to be payable by equal quarterly instalments on 31 March, 30 June, 30 September and 31 December in each year in respect of the quarters ending on those respective dates, the first payment to be on 30 June 1997.

3.1.2 Subject to the provisions of Article 3.1.1, the profits which the Company determines to distribute in respect of any financial year shall be applied:-

3.1.2.1 firstly in paying to the holders of the Preference Shares as a class a cumulative preferential dividend ("the Participating Dividend") of a sum equal to 0.1% of the net profit after tax of the Company for the relevant financial year as shown in the audited accounts of the Company for such year; and

3.1.2.2 subject thereto amongst the holders of the Ordinary Shares.

3.1.3 The Participating Dividend (if any) shall be payable not more than fourteen days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial year are adopted.

3.1.4 Every dividend shall be distributed to the appropriate shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

3.2 Capital

On a return of assets on liquidation or capital reduction or otherwise the assets of the Company remaining after the payment of its liabilities shall be distributed as follows:-

3.2.1 first in paying to the holders of the Preference Shares 10p per share and any arrears of dividends on each such share; and

3.2.2 second in distributing the balance of such assets amongst the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up thereon.

3.3 Conversion of Preference Shares

3.3.1 A holder of Preference Shares shall be entitled, upon a Listing, to convert all (but not only some of) his Preference Shares into fully paid Ordinary Shares at the Conversion Rate (as defined below) following receipt by him of a notice served by the Company pursuant to Article 3.3.2 and any notice served by such holder pursuant to Article 3.3.4 shall be conditional upon the Listing occurring in accordance with and subject to the following provisions of this Article 3.3. Fractions of Ordinary Shares arising on conversion will be disregarded.

3.3.2 The Company shall serve a notice in writing on the holders of the Preference Shares of a Listing no less than fourteen days prior thereto.

3.3.3 If, following the service of a notice pursuant to Article 3.3.2 on a holder of Preference Shares, the Listing shall not occur then any notice served by such holder pursuant to Article 3.3.4 shall be deemed not to have been served and the right of conversion in respect of such Preference Shares shall continue.

3.3.4 Any conversion shall be effected by notice in writing given to the Company signed by the holder of the relevant Preference Shares and the conversion shall take effect when the Listing occurs.

3.3.5 Forthwith after conversion takes effect the holders of the Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares resulting from the conversion.

3.3.6 The Conversion Rate shall be calculated in accordance with the following formula:-

$$\text{Number of Ordinary Shares} = \frac{\text{Number of Preference Shares}}{\text{Relevant Share Price}}$$

where Relevant Share Price is the price at which Ordinary Shares are offered for sale or subscription pursuant to the Listing.

3.3.7 For the purposes of this Article a Listing occurs immediately prior to the relevant shares being admitted to the Official List of the London Stock Exchange or permission being

granted for such shares to be dealt in on the relevant recognised investment exchange.

3.3.8 The Ordinary Shares arising on a conversion shall rank pari passu in all respects with the Ordinary Shares then in issue, save that they will not rank for any dividend payable by reference to a record date prior to the date of conversion.

3.3.9 The Company shall ensure that all the Ordinary Shares arising on conversion shall be admitted to the Official List of the London Stock Exchange or such other recognised investment exchange on which permission is given for dealings in shares of the Company.

3.4 Redemption of the Preference Shares

3.4.1 Subject to the provisions of the Act the Company shall, forthwith upon the happening of a Redemption Triggering Event, redeem any Preference Shares which have not been converted pursuant to Article 3.3 and any shares not redeemed upon such date shall be redeemed forthwith upon redemption becoming permissible under the Act.

3.4.2 Subject to the provisions of the Act such Preference Shares as have not previously been redeemed pursuant to Article 3.4.1 shall be redeemed on 31 March 2007 and any shares not redeemed upon such date shall be redeemed forthwith upon redemption becoming permissible under the Act.

3.4.3 Subject to the provisions of the Act the Company may, with the prior written consent of

LIEN

5. The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

CALLS

6. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

- 7.1 No person shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share (save as may be required in pursuance of his obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any share or agree to do any of such things except as permitted by Article 10 or 11.
- 7.2 If a person at any time attempts to deal with or dispose of a share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he (or the person holding such shares as his nominee) shall be deemed immediately prior to such attempt to have given a transfer notice (as defined in article 11.2) in respect of such share.

- 7.3 A deemed transfer notice (as hereinafter defined) shall be deemed not to contain a Total Transfer Condition (as defined in Article 11) and shall not be revocable.
8. The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise, save as provided to the contrary in these Articles, be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.
9. Where a transfer notice (as hereinafter defined) in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 11 shall apply accordingly.

PERMITTED TRANSFERS

10. Notwithstanding any other provision of these Articles:-
- 10.1 Any member being a nominee or trustee may at any time transfer all or any of his shares to the person or

entity who is the beneficial owner or to another nominee or trustee for the beneficial owner or to a person to whom the beneficial owner, if he or it were registered as the holder, would have been entitled to transfer his shares in accordance with this Article; provided that the provisions of this paragraph shall not apply in circumstances where the beneficial ownership of the share in question became vested in the beneficial owner in contravention of any of the provisions of these Articles;

10.2 Any member may at any time grant an option pursuant to the terms of any Share Option Scheme established by the Company over any of the shares held by him;

10.3 A member who has granted an option to acquire a share pursuant to the terms of a Share Option Scheme established by the Company may, upon the exercise of that option, transfer all or any of the shares which are the subject of that option to the holder of that option or his personal representatives;

10.4 A member may at any time transfer all or any of his shares to the trustees of an Employee Benefit Trust or to the trustees of a Profit Sharing Trust provided that the maximum number of shares held by the trustees of an Employee Benefit Trust and the trustees of any Profit Sharing Trust shall not exceed in the aggregate 50% of the equity share capital of the Company in issue at any one time;

10.5 The trustees of an Employee Benefit Trust may at any time transfer all or any of the shares of the Company held by them:

10.5.1 to the other of them or to the new trustees on the occasion of any change in the identity of the trustees of such trust;

- 10.5.2 to any beneficiary of such trust; or
- 10.5.3 to the trustees of a Profit Sharing Trust;
- 10.6 The trustees of a Profit Sharing Trust may at any time transfer all or any of the shares of the Company held by them:
 - 10.6.1 to the other of them or to the new trustees on the occasion of any change in the identity of the trustees of such trust; or
 - 10.6.2 to any employee or ex-employee of any company in the Group or to the personal representatives of such an employee or ex-employee who is eligible to receive the same pursuant to the terms of the Profit Sharing Trust.

PRE-EMPTION RIGHTS

- 11.1 Except for a transfer of shares which is permitted under Article 10 no share shall be transferred until the following conditions of this Article 11 are complied with.
- 11.2 Any member proposing to transfer a share ("the proposing transferor") shall give notice in writing ("transfer notice") to the directors that the proposing transferor desires to transfer such share at the Transfer Price (as hereinafter defined). All such shares comprised in such transfer notice are in these Articles referred to as "Transfer Shares".
- 11.3 A transfer notice shall state whether the proposing transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold), but in the absence

of such a statement the transfer notice shall be deemed not to contain a Total Transfer Condition. Any two or more members shall be entitled to serve a joint transfer notice (meaning a notice signed by each of them specifying the shares which they wish together to transfer) containing a Total Transfer Condition and such notice shall for all the purposes of this Article take effect as if it were a single transfer notice and the Total Transfer Condition related to all the shares the subject of the joint transfer notice, but the obligations of those members thereunder or in respect thereof shall be several only in proportion to the number of Transfer Shares which they hold respectively.

- 11.4 The transfer notice shall constitute the Company (by its board of directors) as the agent of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given a transfer notice may not be revoked save with the prior written consent of all the other members.
- 11.5 Where a transfer notice is given in respect of more than one class of share it shall be deemed for the purposes of this Article to comprise a number of separate transfer notices, one in respect of each such class. However, where the proposing transferor simultaneously serves transfer notices in respect of more than one class of shares he may stipulate in such notices by reference to this paragraph of this Article that any Total Transfer Condition shall apply to all of such shares and not merely to one class only.
- 11.6 Within seven days after the receipt of any transfer notice the directors shall serve a copy of that transfer notice on all the members other than the

proposing transferor. In the case of a deemed transfer notice the directors shall similarly serve notice on all the members (including the proposing transferor), notifying them that the same has been deemed to have been given, within one month after (i) the date of the event giving rise to the deemed transfer notice or (ii) (if later) the date on which the directors (as a whole) actually became aware of such event.

11.7 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price per Transfer Share ("the Transfer Price") determined in accordance with Article 11.8.

11.8.1 The Transfer Price shall be such price as shall be agreed in writing between the proposing transferor and the Directors or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within twenty one days after the service of notices pursuant to Article 11.6 the Transfer Price will be determined by the auditors of the Company (acting as experts and not as arbitrators) who shall certify in writing their opinion of the fair value thereof on a going concern basis as between a willing seller and a willing buyer ignoring any effect upon value attributable to the fact that the Transfer Shares represent a minority or majority interest and taking into account the restrictions on transfer herein contained.

11.8.2 If the auditors are asked to certify the fair value as aforesaid their certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the proposing transferor. The cost of obtaining the certificate shall be borne by the Company.

- 11.8.3 The Transfer Price shall be a sum equal to the fair value of the Transfer Shares determined as aforesaid divided by the number of Transfer Shares. The Company will use its best endeavours to procure that the auditors determine the Transfer Price within twenty one days of being requested so to do.
- 11.9 If the determination of the Transfer Price is referred to the auditors the date of determination of the Transfer Price ("the Determination Date") shall be the date on which the directors receive the auditors' determination of the Transfer Price in writing. If the Transfer Price is determined by agreement between the proposing transferor and the directors as aforesaid then the Determination Date shall be the date on which such agreement is made.
- 11.10 Within seven days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to those members who at the date of the offer are registered as the respective holders of shares of the same class as the Transfer Shares (other than the proposing transferor) in proportion to the number of shares of that class then held by them respectively. Every such offer shall be made in writing and shall specify (a) the total number of Transfer Shares; (b) the number of Transfer Shares offered to the member ("Pro Rata Entitlement"); (c) whether or not the transfer notice contained a Total Transfer Condition and (d) a period (being not less than fourteen days and not more than twenty one days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro Rata Entitlement and for any shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period, the Directors shall allocate the Transfer Shares in the following manner:

11.10.1 to each member who has agreed to purchase shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;

11.10.2 if any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of shares of the class then held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 11.10.2 without taking account of any member whose application has already been satisfied in full.

11.11 If and to the extent that the Transfer Shares are not accepted by a member or members holding shares of the same class as the Transfer Shares within the time limited for acceptance or if there are no other holders of shares of that class the directors shall (in the former case) within seven days after the expiration of such time as aforesaid (and in the latter case) immediately, offer the Transfer Shares or so many thereof as have not been accepted as aforesaid (as the case may be):-

11.11.1 if the Transfer Shares are Preference Shares, to members holding Ordinary Shares; and

11.11.2 if the Transfer Shares are Ordinary Shares to members holding Preference Shares,

and the provisions of Article 11.10 and the relevant provisions of this Article 11.11 shall apply mutatis mutandis to such offers.

- 11.12 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.
- 11.13 If the transfer notice in question contained a Total Transfer Condition then no offer of Transfer Shares made by the directors pursuant to this Article shall be capable of acceptance until all of the Transfer Shares shall have been accepted by the members (or any of them). If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor and none of the Transfer Shares will be sold to the members (except as mentioned below) pursuant to this Article. The proposing transferor may within a period of four months after the date of the directors' said notice sell all (but not some only) of the Transfer Shares to any person or persons (including any member) approved by the directors at any price which is not less than the Transfer Price (after deducting, where appropriate, any net dividend or other distribution to be retained by the proposing transferor).
- 11.14 If, by the foregoing procedure, the directors shall receive acceptances in respect of all of the Transfer Shares the directors shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the member or members who have agreed to purchase the same ("purchaser" or "purchasers") and the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor (whose receipt shall be a good discharge to

the purchaser, the Company and the directors therefor none of whom shall be bound to see the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than seven days nor more than twenty eight days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.

11.15 If the transfer notice in question did not contain a Total Transfer Condition and if by the foregoing procedure the directors shall receive acceptances in respect of none or part only of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor, and the proposing transferor:

11.15.1 shall thereupon become bound upon payment of the Transfer Price to transfer to each purchaser (if any) those Transfer Shares accepted by him and the provisions of Article 11.14 shall apply mutatis mutandis thereto;

11.15.2 may within a period of four months after the date of the Directors' said notice sell all or any of those Transfer Shares which have not been accepted as aforesaid to any person or persons (including any member) approved by the directors at any price which is not less than the Transfer Price (after deducting, where appropriate, the amount of any net dividend or other distribution to be retained by the proposing transferor).

11.16 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (who is, as security for the performance of the proposing transferor's obligations, hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

11.17 The directors may require to be satisfied that any shares being transferred by the proposing transferor pursuant to either Article 11.13 or Article 11.15.2 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

11.18 In the event of an individual member being employed or engaged as a consultant by or being a director of any company in the Group ceasing to be so employed or

engaged or to be a director of such company (in circumstances where he does not immediately become or continue to be, in the case of an employee or a director, an employer or director of any other company in the Group or, in the case of a consultant, an employee, consultant or director of or to any other company in the Group) the member in question (which expression for the purposes of this paragraph shall be deemed, in the case of death, to include the personal representatives of the deceased member) shall be deemed to have given, forthwith upon the cessation of his employment, the cessation of his engagement or the cessation of his directorship (as the case may be) a transfer notice in respect of all the shares in the capital of the Company then registered in the name of such member.

11.19 If a person who is not (or has ceased to be) a director or employee of any company Group at the date of acquisition hereafter referred to acquires shares in pursuance of a right or interest obtained by such a director or employee (including but not limited to his right or interest as a beneficiary under a trust and any option granted under any Share Option Scheme established by the Company), he shall, upon being registered as the holder of such shares, be deemed to have given a transfer notice in respect of all of the shares registered in his name.

11.20 If a person who is not (or has ceased to be) a director, a consultant or employee of or to any company in the Group at the date of acquisition hereafter referred to acquires shares in pursuance of a right or interest obtained by such a consultant (including but not limited to his right or interest as a beneficiary under a trust and any option granted under any Share Option Scheme established by the Company), he shall, upon being registered as the holder of such shares, be

deemed to have given a transfer notice in respect of all of the shares registered in his name.

11.21 If any shares are transferred to any person by the trustees of an Employee Benefit Trust pursuant to Article 10.5 or by the trustees of a Profit Sharing Trust pursuant to Article 10.6 and at the date of registration of such transfer such person is not a director or employee of any company in the Group then such person shall, upon being registered as the holder of such shares, be deemed to have given a transfer notice in respect of such shares.

11.22 If a member being a company and holding shares on its own behalf (and not as nominee) ceases to be within the control (as such term is defined by Section 840 of the Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later) it shall be deemed to have immediately given a transfer notice in respect of all the shares as shall then be registered in its name.

11.23 The foregoing provisions of this Article shall not apply to a transfer other than a transfer pursuant to Article 11.18, 11.19, 11.20 or 11.21 if the holders of 75% of the Ordinary Shares so direct in writing and the directors shall be obliged to register any such transfer.

VOTING

12.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being

himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Ordinary Share in the capital of the Company of which he is the holder.

- 12.2 The holders of the Preference Shares shall be entitled to receive notice of all general meetings but shall not by any reason of such holding be entitled to attend or vote thereat.

APPOINTMENT OF DIRECTORS

13. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.

PROCEEDINGS OF DIRECTORS

14. Notice of every meeting of the directors shall be given to each director at any address supplied to him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.
- 15.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- 15.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

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

15.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

15.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

15.1.5 shall not be entitled to vote or to count in the quorum at any meeting of the Board or any committee thereof on any matter concerning the foregoing paragraphs of this article.

15.2 For the purposes of this Article:-

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

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

15.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

INDEMNITY

16.1 Subject to the provisions of and so far as may be consistent with the Act, but without prejudice to any indemnity to which a director may be otherwise entitled, every director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise properly in relation to or in connection with his duties, including (but without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for

relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

- 16.2 Subject to the Act the Company may purchase and maintain for any director, Auditor, Secretary or other officer of the Company insurance cover against any liability which by virtue of any rule of law may attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company and against all costs, charges, losses and expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Company by virtue of Article 16.1.