



SECOND WRITTEN RESOLUTION

HARMONIC CONSULTING LIMITED

Company Number 04740221

WRITTEN RESOLUTION

Pursuant to Section 381(A) of the Companies Act 1985

We, the undersigned being the only shareholders of the Company having the right at the date of this resolution to attend and vote at a general meeting of the members of the Company agree that the following resolutions shall be deemed to be as effective as if they had been passed at a general meeting of the Company duly convened and hereby resolve:-

1. *as Ordinary Resolutions:*

- 1.1. That the existing 100 shares of £1.00 each in the capital of the Company, whether in issue or not, be sub-divided into and re-classified as 1,000 A Ordinary shares of £0.10 each.
- 1.2 That the authorised share capital of the Company be increased from £100 to £2,000,000 by the creation of 3,999,000 A Ordinary shares of £0.10 each, 6,000,000 B Ordinary Shares of £0.10 each, and 10,000,000 C Ordinary shares of £0.10 each.
- 1.3 That neither the issued shares in the Company nor any of the unissued shares in the capital Company need have a distinguishing number.

2. *as Special Resolutions:*

- 2.1. That new shares in the capital of the Company be allotted and issued credited as fully paid upon receipt of the applicable subscription monies (being the aggregate nominal value of the relevant shares) to those persons as set out below:-

<u>Name of Shareholder</u>	<u>Number and Class of Shares to be Allotted</u>	
Stephen Edward Mead	30	A Ordinary Shares
Thomas Graham Samuel	30	A Ordinary Shares
Richard Henry George Jackson	2	B Ordinary Shares
Martin Paul Wicks	40	B Ordinary Shares
Allan William Bucknell	40	B Ordinary Shares
Stephen John D'Arcy	40	B Ordinary Shares

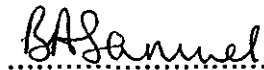
- 2.2 That the Memorandum of Association be amended as indicated in, and the Articles of Association of the Company be deleted and replaced in their entirety by, the Memorandum and Articles of Association attached to this Resolution and initialled by Stephen Edward Mead and Barbara Anne Samuel for the purposes of identification

.....

STEPHEN EDWARD MEAD

.....23/3/04.....

Date of Signature

.....

BARBARA ANNE SAMUEL

.....23.3.04.....

Date of Signature

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

HARMONIC CONSULTING LIMITED

(Registered Number: 04740221)



1. PRELIMINARY

- 1.1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No.805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 no. 1052) (such Table being hereinafter called "**Table A**") shall apply to the Company save in so far as they are excluded or varied by or are inconsistent with these Articles Table A (save as aforesaid) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.2. Regulation 1 of Table A shall apply to the Company as if references in it to "these regulations" included references to these Articles. Accordingly, in these Articles the expression "**the Act**" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3. For the purposes of these Articles the following words and expressions shall have the following meanings: -

"the A Shares"	means 4 million authorised A Ordinary Shares of £0.10 each in the capital of the Company
"the B Shares"	means 6 million authorised B Ordinary Shares of £0.10 each in the capital of the Company
"the C Shares"	means 10 million authorised C Ordinary Shares of £0.10 each in the capital of the Company
"the Default Price"	means such price in respect of any shares to be transferred pursuant to these Articles as is determined by the Accountants to be the financial accounting net book value per share in the Company

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	as at the date of the Transfer Event calculated according to generally accepted UK accounting practice, subsuming the usual accounting policy choices of the Company
"the Directors"	means the persons shown upon the Company's register of directors from time to time
"the Accountants"	means the Company's auditors from time to time or on the request of either the Company or a Transferor Shareholder (as defined in Article 4.3 below) a firm of accountants or professional business valuation specialists nominated by agreement between the Shareholders or in default of agreement at the request of any of them by the President for the time being of the Institute of Chartered Accountants in England and Wales
"Incapacity"	means where a Shareholder who is employed by the Company or any subsidiary of the Company has been unable by reason of illness or disability to contribute to the Company's business in the manner previously undertaken for a period of 12 months from the commencement of the illness or disability
"the Majority Shareholders"	means those Shareholders who have resolved by Special Resolution of the Company that they wish to accept a Third Party Offer
"the Minority Shareholders"	means the holders of Shares other than the Majority Shareholders
"Provisions"	means the provisions of the Act Part V Chapter VII governing the purchase by a company of its own shares
"RHGJ"	means Richard Henry George Jackson of The Old Stables, Prispem Drive, Coach Road, Silverton, Devon, EX5 4JY
"Shareholder"	means a member of the company and in the case of a deceased member shall be deemed to include the Shareholder's personal representatives
"the Shares"	means all of the shares in issue from time to time in the capital of the Company
"Third Party"	means an unconnected person firm or company other than a Shareholder or the Company
"the Third Party Transferee"	means a Third Party who has made a Third Party offer

"the Third Party Offer"

means an offer from a Third Party to purchase all of the shares of the Majority Shareholders

- 1.4 All references in these Articles to the singular shall include the plural and vice versa the masculine shall include the feminine and neuter gender

2. ALLOTMENT OF SHARES

- 2.1. Sections 89(1) and 90(1) to (6) (inclusive) of the Act, in their application to allotments of equity securities by the Company, are hereby excluded in accordance with Section 91(1) of the Act.
- 2.2. The power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital of the Company from time to time shall be exercised by Special Resolution of the Shareholders in general meeting

3. CLASSES OF SHARES

- 3.1. The 20 million ordinary shares of £0.10 each in the capital of the Company are sub-divided into:-

- (a) the A Shares
- (b) the B Shares
- (c) the C Shares

- 3.2. Each A Share from time to time shall carry the following rights:-

- 3.2.1. the right to receive notice of, be present, speak at general meetings of the Company;
- 3.2.2. the right to two votes in relation to any resolution proposed at a general meeting of the Company;
- 3.2.3. the right to participate in dividends *pari passu* with the B Shares and C Shares;
- 3.2.4. the right to participate on a return of assets *pari passu* with the B Shares and C Shares on:-
 - 3.2.4.1. the liquidation; or
 - 3.2.4.2. capital reductionin the assets of the Company remaining after the payment of its liabilities by receiving repayment of the amounts paid or credited as fully paid on such A Share.

- 3.3. Each B Share from time to time shall carry the following rights:-

- 3.3.1. the right to receive notice of, be present, speak at general meetings of the Company;
- 3.3.2. the right to one vote in relation to any resolution proposed at a general meeting of the Company;
- 3.3.3. the right to participate in dividends *pari passu* with the A and C Shares;
- 3.3.4. the right to participate on a return of assets *pari passu* with the A and C Shares:-
 - 3.3.4.1. liquidation; or
 - 3.3.4.2. capital reductionin the assets of the Company remaining after payment of its liabilities by receiving repayment of the amounts paid or credited as fully paid on such B Share.
- 3.4. Each C Share from time to time shall carry the following rights:-
 - 3.4.1. the right to receive notice of, be present, speak but not vote at *general meetings of the Company*;
 - 3.4.2. the right to participate in dividends *pari passu* with the A and B Shares;
 - 3.4.3. the right to participate on a return of assets *pari passu* with the A and B Shares:-
 - 3.4.3.1. liquidation; or
 - 3.4.3.2. capital reductionin the assets of the Company remaining for the payment of its liabilities by receiving repayment of the amounts paid or credited as fully paid on such C Share.
- 3.5. Subject to Article 4.11 below, the rights attaching to the Shares may only be varied by Special resolution of the members in general meeting.
- 3.6. Notwithstanding the provisions of Article 3.4 above the holders of the C Shares from time to time shall have the right to vote at any general meeting of the Company if the resolution to be proposed to the meeting abrogates or varies or otherwise directly affects the rights and privileges attaching to the C Shares
- 3.7. On a sale of the entire issued share capital the A Shares the B Shares and the C Shares shall be treated *pari passu*.

4. **TRANSFER OF SHARES**

4.1. None of the Shareholders shall be entitled to transfer their Shares save in the circumstances set out in this Article 4

4.2. **"Transfer Event"** means:-

- (a) the expiry of three months from the date of written notice upon the Company expressing an intention to sell his Shares
- (b) Any Shareholder
 - (i) having a receiver appointed over any of his assets;
 - (ii) having a petition presented against him for a bankruptcy order; or
 - (iii) entering into an individual voluntary arrangement or any similar arrangement or composition (whether formal or informal) with his creditors
- (c) where a Shareholder who is an employee or Director of the Company or any subsidiary of the Company:-
 - (i) ceases for any reason to an employee or a Director; or
 - (ii) is suffering Incapacity
- (d) where any Shareholder dies
- (e) where any Shareholder gives any materially adverse, detrimental or malicious opinion whether orally or in writing or otherwise relating to the Company, the Shareholders, the Directors or any employee of the Company
- (f) where any Shareholder breaches any of the express provisions contained in any contract of employment between him and the Company or breaches any of the implied obligations owed by an employee to his employer and in particular where any Shareholder bids against or tenders against or otherwise competes with the Company for the provision of professional services including (without prejudice to the generality of the foregoing) management consultant services, change management consultant services, information systems design and system integration consulting services and the likes
- (g) where any Shareholder seeks on his own behalf or on behalf of any Third Party whether directly or indirectly to gain a commercial advantage over the Company
- (h) upon conviction of a criminal offence (other than a minor offence pursuant to the provisions of the Road Traffic legislation for which a fine or a non custodial penalty is imposed)

(i) where any Shareholder is the spouse, unmarried partner, child, sibling or parent of a Director:-

- (i) a Transfer Event arising in respect of that Director;
- (ii) the presenting or receiving by that Director of a petition for divorce; or
- (iii) the service by the Company upon that Shareholder of a written notice informing him that a Transfer Event has been deemed to arise in respect of his Shares

4.3. If a Transfer Event arises under Article 4.2 in relation to a Shareholder (**"the Transferor Shareholder"**) a transfer notice (**"the Transfer Notice"**) in relation to the shares registered in the name of the Transferor Shareholder (**"the Transfer Shares"**) shall be deemed to have been given to the Company at the date of the Transfer Event whereupon the Company shall have the option to purchase the Transfer Shares (**"the Option"**). If the Company wishes to exercise such option then it shall give the Transferor Shareholder notice in writing (**"the Acceptance Notice"**) to this effect within 60days of the date of the Transfer Notice (**"the Transfer Period"**).

4.4. The exercise of the option contained in Articles 4.3 above for the purchase of the Transfer Shares shall be effective from the date of the Acceptance Notice and the price to be paid for the Transfer Shares shall be:-

4.4.1. such price as is agreed between the Transferor Shareholder and the Company prior to expiry of the Transfer Period; or

4.4.2. in default of agreement the Default Price to be determined within 45 days of the date of Acceptance Notice

("the Certified Price")

4.5. If the Transfer Event arises under Article 4.2(a) above and the Transferor Shareholder indicates his unwillingness to sell at the Certified Price within 14 days of its agreement or determination (as the case may be) the Transfer Notice given under Article 4.3 shall be deemed withdrawn

4.6. If the Transfer Notice is not deemed withdrawn by the Transferor Shareholder under Article 4.5 above a contract shall be deemed to have been entered into between the Transferor Shareholder and the Company from the date upon which the Certified Price is agreed or determined (as the case may be) and it shall be a term of such contract that the Transfer Shares are sold cum rights and free of all liens charges and encumbrances with the sale and purchase being completed and the Certified Price being paid within 30days of the date of the contract

4.7. On payment of the Certified Price the Transferor Shareholder shall be bound to execute an own share purchase agreement in favour of the Company and if he should make default in doing so the Company may receive and give good discharge for the purchase money on behalf of the

Transferor Shareholder and shall authorise the Company which (as shall be deemed to be the attorney of the Transferor Shareholder for that purpose) to execute the own share purchase agreement in favour of the Company

- 4.8. All notices which are required to be given hereunder shall be in writing and shall be sent to the address of the recipient set out herein or such other address as the recipient may designate by notice given in accordance with the provisions of this Article 4.8 Any such notice shall be deemed to have been served if by personal delivery when delivered and if by first class post 48 hours after posting
- 4.9. If the Transfer Shares are transferred in accordance with the terms of this Article 4 the Directors shall permit the registration of such transfer
- 4.10. If the Company purchases its own shares they shall be cancelled by the Company and payment of the price agreed in accordance with these Articles shall constitute a good discharge to the Company for such price
- 4.11. If a Shareholder breaches the provisions of this Article 4 then his Shares shall immediately be converted into deferred shares with no rights attaching to them.
- 4.12. Save for a transfer in accordance with the foregoing provisions of this Article 4 the Directors may in their absolute discretion and without assigning any reason therefor decline to register the transfer of any share whether or not it is a fully paid share and clause 24 in Table A shall not apply to the Company

5. GENERAL MEETINGS AND RESOLUTIONS

- 5.1 No business shall be transacted at any meeting unless a quorum is present. The quorum shall be such number of Shareholders as together hold not less than 75% of the total number of votes carried by the A and B Shares pursuant to Articles 3.2.2 and 3.3.2 above.
- 5.1. 5.2 If and for so long as the Company has only one Shareholder and that Shareholder takes any decision which is required to be taken in General meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act.
- 5.2. 5.3 Any decision taken by a sole Shareholder pursuant to paragraph 5.2 above shall be recorded in writing and delivered by that Shareholder to the Company for entry in the Company's Minute Book.
- 5.3. 5.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have.

6. APPOINTMENT OF DIRECTORS

- 6.1. Regulation 64 in Table A shall not apply to the Company - the maximum number and minimum number of Directors may be determined from time to time by Ordinary Resolution of the Company in General Meeting. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whenever the number of Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions expressed by Table A or by these Articles to be vested in the Directors generally, and Regulation 89 in Table A shall be modified accordingly.
- 6.2. Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company, and no Director shall be required to retire by rotation.
- 6.3. The Company may by special resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional director and, without prejudice to the provisions of the Act may by ordinary resolution remove a director from office.
- 6.4. In any case where as the result of the death of a sole Shareholder of the Company the Company has no Shareholders and no Directors, the personal representatives of such deceased Shareholder shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in General Meeting pursuant to paragraph 6.3 of this Article.
- 6.5. No person shall be disqualified from being or becoming a Director by reason of his attaining or having attained the age of 70 or any other age.

7. BORROWING POWERS

- 7.1. The power of the Company to borrow money and to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party shall be exercised by Special Resolution of the Shareholders in general meeting upon such terms and in such manner as they think fit.

8. ALTERNATE DIRECTORS

- 8.1. A Director, or any such other person as is mentioned in Regulation 65 in Table A, may act as an alternate Director to represent more than one Director and an alternate Director shall be entitled at any meeting of the Directors, or of any committee of the Directors, to one vote for each vote to which the Director whom he represents would have been entitled in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

9. GRATUITIES AND PENSIONS

- 9.1. The Directors may exercise the powers of the Company conferred by Clause 3(B)(s) of the Memorandum of Association of the Company and shall be entitled to retain any

benefits received by them or any of them by reason of the exercise of any such powers.

10. PROCEEDINGS OF DIRECTORS

- 10.1. Each Director entitled to vote on any resolution of the Directors shall be entitled to exercise two votes other than RHGJ who shall have one vote only.
- 10.2. The quorum for the transaction of the business of the Directors shall be four Directors. A person who holds office only as an alternative director shall, if his appointer is not present, be counted in the quorum.
- 10.3. A Director who has duly declared his interest (in so far as he is required to do so) may vote at a meeting of the Directors or of any committee of the Directors on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he is interested, directly or indirectly. If he shall vote on any such resolution his vote shall be counted and in relation to any such resolution, whether or not he shall vote on the same he be taken into account in calculating the quorum present at the meeting.
- 10.4. Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company
- 10.5. Any Director (or his alternate director) may participate in a meeting of the Directors or of any committee of the Directors by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Such a participant shall be deemed to be present in person at the meeting and accordingly shall be entitled to be counted as part of a quorum and to vote at the meeting. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman then is.
- 10.6. In the case of an equality of votes the chairman is not entitled to any vote in addition to any other vote he may have.

11. SALE OF ENTIRE ISSUED CAPITAL

- 11.1. If the Majority Holders receive and together wish to accept (whether on a conditional or on an unconditional basis) a Third Party Offer the following provisions shall have effect:-
 - 11.1.1. the Majority Shareholders shall procure that the Third Party Transferee shall also offer to purchase (and they shall not accept the Third Party Offer unless the Third Party Transferee has also offered to purchase) each of the Shares held by the Minority Shareholders on the same terms as to price and otherwise as apply in relation to the shares held by the Majority Shareholders under the Third Party Offer;
 - 11.1.2. the Majority Shareholders shall give notice to the Minority Shareholders indicating that they wish to accept the Third Party Offer;
 - 11.1.3. the Minority Shareholders shall be entitled, within 14 days of receiving the notice referred to in paragraph 11.1.2 of this Article, to offer to purchase all (but not part only) of the shares held by the Majority Shareholders on the same terms as to price and otherwise as apply under the Third Party Offer in which event the Majority Shareholders shall be bound to accept the Minority Shareholders' offer on the same

basis (whether conditionally or otherwise) as would have applied to an acceptance of the Third Party Offer and completion of the transfer of such shares shall take place not less than 14 days after the service of notice under this clause by the Minority Holders;

Provided That if the Minority Shareholders fail to make such an offer as is referred to in paragraph 11.1.3 of this Article within the period therein referred to the Majority Shareholders may serve notice on all the Minority Shareholders requiring them to accept the Third Party Offer and the Minority Shareholders shall be deemed to have served a Transfer Notice (as defined in Article 4.3) in relation to the shares registered in the names of the Minority Holders upon the Third Party Transferee at the price and on the terms of the Third Party Offer, and completion of the transfer of such shares shall take place on the date of completion of the transfer to the Third Party Transferee of all of the shares held by the Majority Shareholders

12. THE SEAL

- 12.1. If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.
- 12.2. The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

13. INDEMNITY

- 13.1. Every Director and the Company Secretary of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or Company Secretary shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- 13.2. The Directors shall have power to purchase and maintain for any Director, officer or auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act
- 13.3. Regulation 118 of Table A shall not apply to the Company.

Names and addresses
of Subscribers

Signature of
Subscriber

STEPHEN EDWARD MEAD

1

BARBARA ANNE SAMUEL

1

Total shares taken

2

Dated the 16th day of April 2003

Witness to the above Signatures:

Witness


Signature

Name D G T Isaac

Address 2 Church Close

Martock

Somerset


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APPENDIX

COMPANIES (TABLES A TO F) REGULATIONS 1985

SI 1985/805

These regulations were made on 22 May 1985 by the Secretary of State under the Companies Act 1948, s452(2) (repealed), the Companies Act 1985, ss3, 8 ante and all other enabling powers. Regs 4, 41 and 115 of Table A are printed as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, SI 1985/1052.

1. These Regulations may be cited as the Companies (Tables A to F) Regulations 1985 and shall come into operation on 1st July 1985.
2. The Regulations in Table A and the forms in Tables B, C, D, E and F in the Schedule to these Regulations shall be the regulations and forms of memorandum and articles of association for the purposes of Sections 3 and 8 of the Companies Act 1985,
3. The Companies (Alteration of Table A etc) Regulations 1984 are hereby revoked.

SCHEDULE

TABLE A

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

INTERPRETATION

1. In these regulations:

"the Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force
"the articles"	means the articles of the Company
"clear days"	in relation to the period of a notice means that period excluding the day when the

notice is given or deemed to be given and the day for which it is given or on which it is to take effect

"executed"	includes any mode of execution
"office"	means the registered office of the Company
"the holder"	in relation to shares means the member whose name is entered in the register of members as the holder of the shares
"the seal"	means the Common Seal of the Company
"secretary"	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company including a joint assistant or deputy secretary
"the United Kingdom"	means Great Britain and Northern Ireland

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

SHARE CAPITAL

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
3. Subject to the provisions of the Act shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the articles.
4. The Company may exercise the powers of paying commissions conferred by the Act Subject to the [provisions] of the Act any such commission may be

satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

5. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
7. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

8. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a share shall extend to any amount payable in respect of it.
9. The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is

presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

10. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

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

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

TRANSFER OF SHARES

23. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
24. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless:
 - (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
 - (b) it is in respect of only one class of shares; and

- (c) it is in favour of not more than four transferees.
25. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
26. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
27. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
28. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

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

31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

ALTERATION OF SHARE CAPITAL

32. The Company may by ordinary resolution -
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Act, subdivide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the subdivision, any of them may have any preference or advantage as compared with the others; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
33. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

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

PURCHASE OF OWN SHARES

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

GENERAL MEETINGS

36. All general meetings other than annual general meetings shall be called extraordinary general meetings.
37. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

NOTICE OF GENERAL MEETINGS

38. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

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

PROCEEDINGS AT GENERAL MEETINGS

40. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
41. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or [to] such time and place as the directors may determine.
42. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
43. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

44. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
45. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
46. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chairman; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right;
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
47. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the Minutes of the meeting shall be conclusive evidence of the fact without proof of the

number or proportion of the votes recorded in favour of or against the resolution.

48. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
49. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
50. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
52. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken or announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
53. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

54. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
56. A member in respect of whom an order had been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
59. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this [] day of [] 19[] "

62. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may -
- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
 - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

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

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

NUMBER OF DIRECTORS

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

ALTERNATE DIRECTORS

65. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
66. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of Committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
67. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
68. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
69. Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

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

DELEGATION OF DIRECTORS' POWERS

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

APPOINTMENT AND RETIREMENT OF DIRECTORS

73. At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.

74. Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
75. If the company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.
76. No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless -
- (a) he is recommended by the directors; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
77. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.
78. Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional

director and may also determine the rotation in which any additional directors are to retire.

79. 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, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
80. Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

81. The office of a director shall be vacated if -
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either -
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver,

curator bonis or other person to exercise powers with respect to his property or affairs; or

- (d) he resigns his office by notice to the Company; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

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

DIRECTORS' EXPENSES

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

DIRECTORS' APPOINTMENTS AND INTERESTS

84. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of Managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company. A Managing director and a director holding any other executive office shall not be subject to retirement by rotation.

85. 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 -

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

86. For the purposes of regulation 85 -

- (a) a general notice given 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; and
- (b) 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.

DIRECTORS' GRATUITIES AND PENSIONS

87. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with

any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

88. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
89. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
91. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

92. All acts done by a meeting of directors, or of a Committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a Committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a Committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
94. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
 - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any

such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;

- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), 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.

- 95. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 96. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
- 97. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 98. If a question arises at a meeting of directors or of a Committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

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

MINUTES

100. The directors shall cause minutes to be made in books kept for the purpose -
- (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of Committees of directors, including the names of the directors present at each such meeting.

THE SEAL

101. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

102. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
103. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to

them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

104. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
105. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
106. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the Register of Members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
107. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

108. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

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

CAPITALISATION OF PROFITS

110. The directors may with the authority of an ordinary resolution of the Company

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and

- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

111. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
112. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the Register of Members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. 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 shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
113. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
114. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register of Members, has been duly given to a person from whom he derives his title.
115. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall, ...be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

116. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, 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 may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

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

INDEMNITY

118. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.