

Registered Number: 3625145

THE COMPANIES ACTS

SOLEXA LIMITED
(the "Company")

PRIVATE COMPANY LIMITED BY SHARES



ORDINARY/SPECIAL RESOLUTIONS

IN WRITING

In accordance with article 16 of the Company's articles of association we, all the members of the Company who would, at the date of these resolutions, have been entitled to vote upon them if they had been proposed at a general meeting at which we were present **HEREBY RESOLVE** in writing as follows:-

ORDINARY RESOLUTION

1. THAT, the authorised share capital of the Company be increased from £100 divided into 100 ordinary shares of £1 each to £5,000 by the creation of 4,900 ordinary shares of £1 each to rank pari passu in all respects with the existing ordinary shares of £1 each of the Company.

SPECIAL RESOLUTIONS

2. THAT, each ordinary share of £1 each be forthwith sub-divided into 400 ordinary shares of 0.25p each.
3. THAT, the regulations contained in the document produced to the meeting (for the purpose of identification marked "A" and signed by the Chairman of the meeting) be approved and adopted with effect from the termination of this meeting as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

ORDINARY RESOLUTION

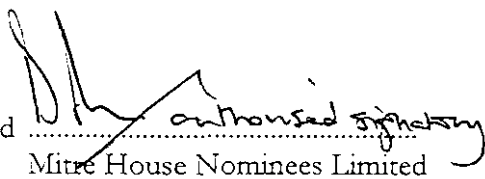
4. THAT, the directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within

the meaning of section 80 Companies Act 1985 as amended) up to an aggregate nominal amount of £5,000 provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 5 years after the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

5. THAT, subject to the passing of resolution 4 above, the directors be and they are hereby empowered pursuant to section 95 Companies Act 1985 to allot equity securities (within the meaning of section 94 Companies Act 1985) pursuant to the authority conferred by resolution 4 as if section 89(1) Companies Act 1985 did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £5,000 and shall expire on 5 years after the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Signed


authorised signatory
Mitre House Nominees Limited

Date

12/10/98

Presented by:

Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

Tel: 0171 367 3000

Ref: AOM/MIT2.29b/101818.00001

ARTICLES OF ASSOCIATION

of

SOLEXA LIMITED
Incorporated on: 2 September 1998
Registered number: 3625145

Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

T +44(0)171 367 3000
F +44(0)171 367 2000
Doc Ref: 50393991

INDEX

<u>Article(s)</u>	<u>Page No</u>
<u>PART A</u>	1
1. Interpretation.....	1
2. Share capital.....	2
3. Share transfers: general.....	2
4. Share transfers : mandatory transfer notices.....	3
<u>PART B</u>	7
Share Capital.....	7
Share Certificates.....	8
Transmission of Shares.....	8
Alteration of Share Capital.....	8
Purchase of Own Shares.....	9
General Meetings.....	9
Notice of General Meetings.....	9
Proceedings at General Meetings.....	10
Votes of Members.....	12
Number of Directors.....	15
Alternative Directors.....	15
Powers of Directors.....	16
Delegation of Directors' Powers.....	16
Appointment and Retirement of Directors.....	16
Disqualification and Removal of Directors.....	17
Remuneration of Directors.....	17
Directors' Expenses.....	18
Directors' Appointments and Interests.....	18
Directors' Gratuities and Pensions.....	19
Proceedings of Directors.....	19
Secretary.....	21
Minutes.....	21
The Seal.....	22
Dividends.....	22
Capitalisation of Profits.....	23
Notices.....	23
Winding up.....	24
Indemnity.....	24

ARTICLES OF ASSOCIATION
(adopted on)

of

SOLEXA LIMITED

PART A

1. Interpretation

1.1 In these Articles:

- (a) headings are used for convenience only and shall not affect the construction hereof;
- (b) unless the context otherwise requires or does not so admit or save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification or re-enactment thereof not in force on the date on which these Articles become binding on the Company);
- (c) the following words and expressions shall have the following meanings:

"Act" means the Companies Act 1985 and any reference herein to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment thereof for the time being in force

"Associate" means

- (i) the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of the relevant person; or
- (ii) the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or any other Associate of the relevant person is or is capable of being a beneficiary

"Clear Days" means 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

"Committee" means a committee of the board of directors of the Company duly appointed pursuant to these Articles

"Company" means Solexa Limited

"Directors" means the directors for the time being of the Company

"Group Company" means the Company and any other company (or other entity) which is for the time being a subsidiary undertaking of the Company (and "Group" shall be construed accordingly)

"holder" means in relation to Shares the person whose name is entered in the register of members as the holder of those Shares

"Member" means any holder for the time being of shares in the capital of the Company of whatever class

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

"Ordinary Shares" means ordinary shares of 0.25p each in the capital of the Company having rights as set out in these Articles

"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

"Shares" means (unless the context does not so admit) shares in the capital of the Company (of whatever class)

"Subscription Price" in relation to any share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such shares were issued, whether or not such premium is applied for any purpose thereafter)

"these Articles" means these articles of association (including the schedule) as amended from time to time

"United Kingdom" means Great Britain and Northern Ireland

- 1.2 In the event of any conflict or inconsistency between any provision in part A of these Articles and any provision in part B of these Articles, the provision contained in part A shall prevail and the provision in part B shall take effect subject to the provision in part A.

2. Share capital

The authorised share capital of the Company at the date of adoption of these Articles is £5,000 divided into 2,000,000 Ordinary Shares of 0.25p each.

3. Share transfers: general

- 3.1 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 (but shall not require to be executed by or on behalf of the transferee unless any Share to which it relates is not fully paid). The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect thereof.

- 3.2 The Directors may refuse to register the transfer of any Share:
- (a) being a Share which is not fully paid, to a person of whom they do not approve;
 - (b) on which the Company has a lien;
 - (c) unless:
 - (i) 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;
 - (ii) it is in respect of only one class of Shares; and
 - (iii) it is in favour of not more than four transferees;
 - (d) to a person who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval.

3.3 The Directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer has been approved in writing by Abingworth Bioventures II (registered in Luxembourg whose registered office is at 231 Val des Bons Malades, Kirchberg 2121, Luxembourg).

- 3.4 If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) then the Directors shall (unless all the parties to such agreement otherwise agree in writing):
- (a) require the transferee of such Share to enter into a written undertaking (in such form as the Directors may prescribe) to be bound (to such extent as the Directors may stipulate) by the provisions of such agreement; and
 - (b) decline to register the transfer of such Share unless and until the transferee has entered into such written undertaking.

4. Share transfers: mandatory transfer notices

4.1

- (a) If at any time any Director or employee of or any consultant to any Group Company shall cease (for whatever reason including (without limitation) death, bankruptcy or liquidation) to be such a Director or employee or consultant and such person and/or any Associate(s) of such person shall be the holder of Shares, then (unless and to the extent that the Directors agree otherwise at the relevant time) there

shall be deemed to have been given on the date of such cessation a notice (a "**Mandatory Transfer Notice**") in respect of the Relevant Proportion (as defined in **paragraph (b)** below) of the Shares then held by such person and any Associate(s) of such person (the "**Transferor**").

- (b) The "**Relevant Proportion**" referred to in **paragraph (a)** above in respect of each Share shall be determined by the Directors at the time of allotment of that Share and as so determined shall be noted in the register of members and shall be endorsed on the share certificate in respect of that Share.
- (c) If at any time a former director or former employee or former consultant to any Group Company shall, after ceasing to be such a director or employee or consultant, acquire (or any Associate of his shall acquire) any Shares pursuant to an option or like right which was granted to or otherwise vested in him prior to such cessation then the provisions of **paragraph (a)** above shall apply as if the reference in **paragraph (a)** to "the date of such cessation" was a reference to the date on which he acquired such Shares.

4.2 The Mandatory Transfer Notice shall unconditionally constitute the Company the agent of the Transferor in relation to the sale of all the legal title to, *beneficial ownership of and all interests and rights attaching to the Shares* referred to therein (the "**Sale Shares**") at the Subscription Price for the Shares the subject of the Mandatory Transfer Notice (*hereinafter referred to as the* "**Sale Price**") A Mandatory Transfer Notice shall not be revocable except with the consent of the Directors.

4.3

- (a) If any Mandatory Transfer Notice is deemed to be given pursuant to **article 4.1**, the Directors shall determine whether any of the Shares to which such Mandatory Transfer Notice relates should be offered for sale first either to any person or persons who is or are (an) existing director(s) and/or employee(s) of a Group Company or to a person or persons (whether or not then ascertained) who it is proposed should be appointed as director(s) and/or employee(s) of a Group Company whether or not in place of the person by whom the relevant Mandatory Transfer Notice was deemed to be given then the provisions of **paragraph (b)** below shall apply.
- (b) If the Directors do so resolve as set out in **paragraph (a)** above then, in relation to such Shares (the "**Priority Shares**") the provisions of **article 4.4** shall not apply to the extent that the Priority Shares shall be offered by the Company to the person(s) (and, in the case of more than one, in the proportions) determined by the Directors (conditional, in the case of any named prospective director and/or employee and/or consultant, upon his taking up his proposed appointment with a Group Company (if not then taken up)). For this purpose, the Directors may resolve that some or all of the Priority Shares should be offered (either in the first instance or insofar as not taken up by any

other person(s) specified in such notice) to not less than two persons designated by the Directors ("**Custodians**") to be held (in the event of their acquiring Priority Shares) on and subject to such terms as are referred to in **paragraph (c)** below.

- (c) If Custodians become the holders of Priority Shares, then they shall hold the same on, and subject to, the following terms:
- (i) they may exercise the voting rights (if any) for the time being attaching to such Shares as they think fit;
 - (ii) save with prior approval of the Directors, they shall not encumber the same;
 - (iii) they will transfer the legal title to such Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as the Directors may from time to time direct by notice in writing to the Custodians provided that the Custodians may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss;
 - (iv) if an offer is made to them for the Priority Shares (whether as part of a general offer or otherwise) then they shall seek instructions from the Directors as to what (if any) actions they should take with regard thereto but, absent instructions from the Directors within 14 days of seeking the same, the Custodians may accept or decline to accept such offer, as they think fit.

4.4 Sale Shares shall, in so far as not taken up by any person to whom any such Shares are offered as referred to in **article 4.3**, be offered in writing by the Company first to the holders for the time being of Shares (other than the Transferor or any Associate of the Transferor) and next (if and insofar as not accepted following such further offer) to such person or persons (if any) as the Directors determine provided that the Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in this **article 4.4** is made.

4.5 Any such offer as is required to be made by the Company pursuant to **article 4.3** or **article 4.4** shall be made as soon as practicable following the deemed service of the Mandatory Transfer Notice for the relevant Sale Shares and shall limit a time (not being less than 14 days or more than 21 days) after such offer is made within which it must be accepted or, in default, will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares held by each acceptor (or in the case of any such offer made to persons who are not already Members, on such basis as the Directors shall

determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this **article 4.5** shall continue to apply *mutatis mutandis* until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.

- 4.6 If, within 2 months of the deemed service of the Mandatory Transfer Notice (the "**Prescribed Period**"), the Company shall, pursuant to the foregoing provisions of this **article 4**, find Members or other persons (herein called "**Approved Transferees**") to purchase some or all the Sale Shares it shall as soon as practicable after so doing give notice in writing thereof to the Transferor and the Approved Transferees. Every such notice shall state the name and address of each of the Approved Transferees and the number of the Sale Shares to be purchased by him and shall specify a place and time and date (not being less than three days nor more than seven days after the date of such notice) at which the sale and purchase shall be completed. Upon the giving by the Company of any such notice as aforesaid, the Transferor shall be bound (subject only to due payment of the Sale Price) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms.
- 4.7 If a Transferor shall (save only for reason that an Approved Transferee does not duly pay the Sale Price) fail to duly transfer any Sale Shares to an Approved Transferee, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Transferor and shall cause such Approved Transferee to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Approved Transferee (who shall not be bound to see to the application thereof) and after the Approved Transferee has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 4.8 If the Company shall not, prior to the expiry of the Prescribed Period, find Approved Transferees willing to purchase some or all of the Sale Shares, it shall, as soon as practicable following such expiry, give notice in writing thereof to the Transferor and the Transferor shall be entitled to retain the Sale Shares not purchased by Approved Transferees or sell the Sale Shares to a third party provided that the provisions of **article 3** are complied with.
- 4.9 Any Share required to be transferred by a Transferor to an Approved Transferee pursuant to this article shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching thereto.
- 4.10 A Director shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not be entitled to vote in relation to at any meeting of the Directors) any matter which requires to be determined or otherwise decided upon by the Directors pursuant to or for the purpose of this **article 4** to the extent such matter relates to any Shares held by such Director or any Associate of such Director or in which such Director is otherwise interested.

PART B

Share Capital

5. 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.
6. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commissions 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.
7. 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.
8. Subject to any direction to the contrary which may be given by the Company in general meeting, the Directors are unconditionally authorised to allot, create, deal with or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Act) to such persons (including any director) on such terms and at such time or times as they think fit, provided that no shares shall be issued at a discount.
9. The maximum nominal amount of share capital which the Directors may allot or otherwise dispose of in accordance with **article 8** shall be the nominal amount of unissued share capital at the date of adoption of these articles or such other amount as shall be authorised by the Company in general meeting.
10. The authority conferred on the Directors by **articles 8 and 9** shall remain in force for a period of five years from the date of incorporation of the Company and thereafter provided this authority is renewed from time to time by the Company in general meeting in accordance with section 80 of the Act.
11. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or other distributable reserve in any way.
12. The Company shall not allot shares which are not fully paid.

Share Certificates

13. 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.

Transmission of Shares

14. 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.
15. 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.
16. 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

17. The Company may by ordinary resolution:
 - 17.1 increase its share capital by new shares of such amount as the resolution prescribes;
 - 17.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- 17.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- 17.4 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.

Purchase of Own Shares

- 18. 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

- 19. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 20. 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

- 21. 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:
 - 21.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - 21.2 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.

22. 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

23. No business shall be transacted at any general 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.
24. If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
25. 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.
26. 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.
27. 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.
28. 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.

29. 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:

29.1 by the chairman; or

29.2 by any member or, in the case of a corporation, his duly authorised representative, having the right to vote at the meeting;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
36. 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. Such a resolution may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the Directors may from time to time resolve.
- 36.1 In the case of a member which is a corporation the signature of:
- (a) any director or the secretary of that corporation; or
 - (b) any other person authorised in that behalf either generally or in a particular case by notice in writing to the Company in accordance with **article 36.1(a)** above; and
- 36.2 In the case of a share registered in the name of joint holders, the signature of any one of such joint holders,
- shall be deemed to be and shall be accepted as the signature of the member or members concerned for all purposes including the signature of any form of proxy, resolution in writing, notice or other document signed or approved pursuant to any provision of these Articles.

Votes of Members

37. Subject to any rights or restrictions attached to any shares,
- 37.1 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), and every person (not being entitled to vote in any other capacity) present as a proxy for a member or members shall have one vote; and
- 37.2 on a poll every member (or his proxy) shall have one vote for every share of which he (or the member by whom he was appointed) is the holder.
38. In the case of a member which is a corporation, a director or the secretary shall be deemed to be a duly authorised representative of that corporation for the purposes of **article 37** and for the purpose of agreeing to short notice of, or attending and voting at, any general meeting of the Company.

behalf at the annual/extraordinary general meeting of the Company to be held on _____ 19_____, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 *for *against

Resolution No 2 *for *against.

*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_____.”

45. 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. The Directors may at their discretion treat a copy of a faxed or machine made instrument appointing a proxy as an instrument of proxy. Appointment of a proxy may be accepted by the Directors at any time prior to the meeting at which the person named in the instrument proposed to vote (or, where a poll is demanded at the meeting, but not taken forthwith, at any time prior to the taking of the poll). An instrument of proxy may be revoked at any time prior to the commencement of the meeting by notice of revocation given by such means as an instrument of proxy may be given under these Articles.

46. 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

47. Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum and the minimum number of Directors shall be one.

Alternative Directors

48. Any Director (other than an alternate Director) may appoint any person to be an alternate Director and may remove from office an alternate Director so appointed by him. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

49. An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of Committees 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.

50. 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.

51. If his appointor is for the time being unavailable or temporarily unable to act through ill health or disability, the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor.

52. When an alternate Director is also a Director or acts as an alternate Director for more than one Director, such alternate Director shall have one vote for every Director so represented by him (in addition to his own vote if he is himself a Director) and when so acting shall be considered as two Directors for the purpose of making a quorum if the quorum exceeds two.

53. 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

54. 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 that alteration had not been made or that direction had not been given. The powers given by this Article 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.
55. 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

56. The Directors may delegate any of their powers to any Committee consisting of one or more persons. Any Committee shall have the power unless the Directors direct otherwise to co-opt as a member or as members of the Committee for any specific purpose any person or persons not being a director or directors of the Company. 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

57. Any member or members holding a majority in nominal amount of the issued ordinary share capital which confers the right to attend and vote at general meetings may at any time appoint any person to be a Director, whether as an additional director or to fill a vacancy, and may remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by notice in writing to the Company signed by the member or members making the same or in the case of a corporate member signed by any Director thereof or by any person so authorised by resolution of the Directors or of any other governing body thereof. Any such appointment or removal shall take effect when the notice effecting the same is delivered to the registered office or to the Secretary, or is produced at a meeting of the Directors. Any such removal shall be without prejudice to any claim which a Director may have under any contract between him and the Company.

58. The Directors 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, 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.
59. In any case where as the result of the death of a sole member of the Company the Company has no members and no Directors, the personal representatives of such deceased member 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 **article 57** of these Articles.
60. There shall be no age limit for Directors of the Company.
61. A Director shall not be required to hold any qualification shares in the Company.

Disqualification and Removal of Directors

62. The office of a Director shall be vacated if:
- 62.1 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
- 62.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 62.3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a Director; or
- 62.4 he resigns his office by notice to the Company; or
- 62.5 he is otherwise duly removed from office.

Remuneration of Directors

63. 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. Such remuneration shall be divided between the Directors in such proportion and manner as the Directors may unanimously determine or in default of such determination equally, except that any Director holding office for less than a year or other period for which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Any Director who, at the request of the Directors, performs special services or goes or resides abroad for any purpose of the Company may receive such extra

remuneration by way of salary, commission or participation in profits, or partly in one way and partly in another, as the Directors may determine.

Directors' Expenses

64. The Directors (including alternate Directors) may be paid all travelling, hotel, and other expenses properly and reasonably incurred by them in connection with their attendance at meetings of Directors or Committees or general meetings or separate meetings 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

65. 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.
66. 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:
- 66.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 66.2 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
 - 66.3 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.

67. For the purposes of **article 66**:

67.1 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

67.2 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.

Directors' Gratuities and Pensions

68. 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

69. 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. Notice of every meeting of Directors shall be given to each Director or his alternate Director, including Directors and alternate Directors who may for the time being be absent from the United Kingdom and have given the Company their address outside 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.

70. 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.

71. In determining whether the quorum requirements fixed by or in accordance with these Articles are fulfilled as regards the transaction of business at any meeting of the Directors or of a Committee, the following shall be counted in the quorum:

- 71.1 in the case of a resolution approved by a meeting of the Directors or of a Committee held by telephone communication, all Directors participating in such meeting;
- 71.2 in the case of a meeting of the Directors or of a Committee, the Directors actually present at such meeting and any other Director in telephone communication with such meeting; and
- 71.3 in the case of a meeting held by means of facsimile transmissions, all Directors participating in such meeting by that means.

References in this Article to a Director shall include references to an alternate Director who at the relevant time is entitled to receive notice of and to attend a meeting of the Directors or, as the case may be, the relevant Committee.

- 72. 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.
- 73. 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.
- 74. All acts done by a meeting of Directors, or of a Committee, 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.
- 75. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a Committee 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 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. A resolution in writing signed by any relevant Director, alternate Director or member of a Committee may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the Directors may from time to time resolve.

76. Where a Director is a corporation, a director, the secretary or other officer thereof shall be deemed to be a duly authorised representative of that corporation for the purposes of signing any written resolution of Directors of the Company.
77. Directors (or their alternates) or other persons participating in the manner described in this Article shall be deemed to be present in person and to be holding a meeting.
78. Any Director (including an alternate Director) or other person may participate in a meeting of the Directors or a Committee of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. Resolutions and decisions of the kind normally made or taken at a physical meeting of the Directors or a Committee in accordance with these Articles can accordingly be so made or taken in circumstances where none or only some of the Directors or other persons are physically present with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is.
79. Subject to such disclosure as is required by section 317 of the Act a Director shall be counted for the purposes of calculating whether there is a quorum and shall be entitled to vote at a meeting of Directors or of a Committee 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.

Secretary

80. 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 may be removed by them. If thought fit, two or more persons may be appointed as joint Secretaries. The Directors may also appoint from time to time on such terms as they think fit one or more assistant or deputy Secretaries.

Minutes

81. The Directors shall cause minutes to be made in books kept for the purpose:
- 81.1 of all appointments of officers made by the Directors; and
- 81.2 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, including the names of the Directors present at each such meeting.

The Seal

82. If the Company has a seal it shall only be used with the authority of the Directors or of a Committee. 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 **article 16** relating to the sealing of share certificates shall apply only if the Company has a seal.

Dividends

83. 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.
84. 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.
85. 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.
86. 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.
87. 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. The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the Company as trustee in respect of such moneys. 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.

Capitalisation of Profits

88. The Directors may with the authority of an ordinary resolution of the Company:
- 88.1 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;
 - 88.2 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, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
 - 88.3 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 Article in fractions; and
 - 88.4 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

89. Any notice to be given to or by any person or the Company pursuant to the Articles shall be in writing including by means of telex, cable, electronic mail or facsimile except that a notice calling a meeting of the Directors need not be in writing.
90. 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. A notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. 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.

91. 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.
92. *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

93. 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

94. Subject to the provisions of the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, Secretary, auditor or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, expenses, losses and liabilities sustained or incurred by him in the actual or purported execution of his duties or in the exercise or purported exercise of his powers or otherwise in connection with his office including, but without prejudice to the generality of the foregoing, 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 which are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which relief

•
•
is granted to him by the Court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

95. The Directors shall have power to purchase and maintain for any Director, Secretary, auditor or other officer of the Company insurance against any such liability as is referred to in section 310(1) of the Act.