

The Companies Acts 1862 to 1985

Company Limited by Shares



De La Rue

Amended Memorandum

(Embodying alterations to 10th January 2000)

and

New Articles of Association

(Adopted by Special Resolution passed 21st July 1993)
(Amended by Special Resolution passed 10th January 2000)

of

De La Rue Holdings plc

Incorporated the 1st Day of July 1898

Registered in England Number 58025



INDEX

Certificate of Incorporation

Certificate of Change of Name

Certificate of Re-registration as a Public Company

Certificate of Change of Name

Certificate of Change of Name

MEMORANDUM OF ASSOCIATION

Note on Capital Changes

ARTICLES OF ASSOCIATION

Article Nos.

Accounts	122-123
Alteration of Capital	42-44
Alternate Directors	79
Appointment and Retirement of Directors	84-91
Associate and Regional Directors	110
Calls on Shares and Forfeiture	14-24
Capitalisation of Profits	119
Corporations Acting by Representatives	75
Delegation of Directors' Powers	82-83
Destruction of Documents	32
Directors	76-78
Directors' Appointments and Interests	95-96
Directors' Gratuities and Pensions	97
Disclosure of Interests	37
Disqualification and Removal of Directors	92-94
Dividends	113-118
Election to Receive Shares	120
General Meetings	46-47

Indemnity	134
Lien	10-13
Minutes	108
Modification of Class Rights	8
Notice of General Meetings	48-49
Notices	124-131
Powers of Directors	80-81
Proceedings of Directors	98-107
Proceedings at General Meetings	50-63
Preliminary	1-2
Purchase of Own Shares	45
Record Dates	121
Scheme of Arrangement	133
Seal	111-112
Secretary	109
Share Capital	3-7
Share Certificates	9
Stock	38-41
Transfer of Shares	25-31
Transmission of Shares	34-36
Untraced Shareholders	33
Votes of Members	64-74
Winding Up	132

No. 58025

[COPY]

Certificate of Incorporation

OF

THOMAS DE LA RUE AND COMPANY, LIMITED

I HEREBY CERTIFY, that "THOMAS DE LA RUE AND COMPANY, LIMITED", is this day incorporated under the Company Acts, 1862 to 1893, and that the Company is **LIMITED**.

GIVEN under my hand at London, this First day of July, One thousand eight hundred and ninety-eight.

J S PURCELL

Registrar of Joint Stock Companies

[COPY]

**Certificate of the Incorporation
of a Company**

I HEREBY CERTIFY, that "THOMAS DE LA RUE AND COMPANY, LIMITED", (originally called "THOMAS DE LA RUE AND COMPANY, LIMITED" which name was changed by Special Resolution and with the Authority of the Board of Trade on the fourteenth day of August One thousand nine hundred and fifty-eight) was incorporated under the Companies Act, 1862 to 1893 as a Limited Company, on the first day of July One thousand eight hundred and ninety-eight.

GIVEN under my hand at London, this twentieth day of August One thousand nine hundred and fifty-eight.

(Sgd) R W SKINNER

Assistant Registrar of Companies

[COPY]

CERTIFICATE OF INCORPORATION
ON RE-REGISTRATION AS A PUBLIC COMPANY

No. 58025

I hereby certify that

THE DE LA RUE COMPANY p.l.c.

has this day been re-registered under the Companies Act 1948 to 1980
as a public company, and that the company is limited.

Dated at Cardiff the 7th August 1981

J B HARWOOD

Assistant Registrar of Companies



CERTIFICATE OF INCORPORATION ON CHANGE OF NAME

No. 58025

I hereby certify that

THE DE LA RUE COMPANY P.L.C.

having by special resolution changed its name,

is now incorporated under the name of

De La Rue plc

Given under my hand at the Companies Registration Office, Cardiff the 19
AUGUST 1991

MRS. L PARRY

an authorised officer

The Companies Act 1985
COMPANY LIMITED BY SHARES
RESOLUTIONS
OF
DE LA RUE plc
Passed on 21 July 1999

At the ANNUAL GENERAL MEETING of the above-named Company, duly convened, and held at the Winchester Guildhall, The Broadway, Winchester, Hampshire SO23 9LJ on 21 July 1999, the following resolutions were duly passed:

as an **Ordinary Resolution**

8. That the directors be generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £12,173,712 provided that this authority shall expire at the next annual general meeting of the Company and 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 notwithstanding that the authority conferred hereby has expired and in this resolution the expression "relevant securities" and the references to the allotment of relevant securities shall bear the same respective meanings as in Section 80 of the Act.

as a **Special Resolution**

9. That subject to the passing of the previous resolution the directors be empowered pursuant to section 95 of the Act to allot equity securities for cash pursuant to the authority conferred by the previous resolution above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- (i) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - (ii) otherwise than pursuant to sub-paragraph (i) above up to an aggregate nominal amount of £2,816,314 and shall expire at the conclusion of the next annual general meeting of the Company after 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 any such offer or agreement notwithstanding that the power conferred hereby has expired and in this resolution the expression "equity securities" and references to the allotment of equity securities shall bear the same respective meanings as in section 94 of the Act.

as a **Special Resolution**

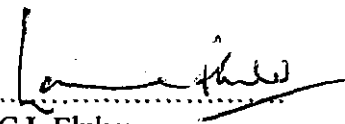
10. That the Company be generally and unconditionally authorised, pursuant to Article 46 of the Articles and in accordance with section 166 of the Act, to make one or more market purchases (within the meaning of section 163(3) of the Act) of any of the Company's ordinary shares upon, and subject to, the following conditions:
- (i) The maximum aggregate number of ordinary shares hereby authorised to be purchased is 22,530,514 ordinary shares representing 10% of the Company's issued ordinary share capital;
 - (ii) The minimum price which may be paid for each ordinary share is 25 pence;
 - (iii) The maximum price which may be paid for an ordinary share shall not be more than 5% above the average of the market values for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased;
 - (iv) Unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company;
 - (v) The Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

As an **Ordinary Resolution**

11. (i) That the Rules of the De La Rue Share Price Improvement Plan (the "Plan") (A copy of which is produced to the meeting and, for purpose of identification, initialled by the Chairman) be approved and the directors be authorised to do all things as they may consider necessary or expedient to establish the Plan. The principal features of the Plan are summarised in the Explanatory Notes.
- (ii) That the directors be authorised to establish further plans as they consider necessary or expedient for the benefit of overseas employees whether using shares or cash or phantom awards based on the Share Price Improvement Plan, but modified as may be necessary or desirable to take account of overseas tax, exchange control or securities laws. Any shares made available under such plans will be treated as counting against any limits on individual participation in the Plan and any new shares made available under such plans will be treated as counting against any limits on overall participation in the Plan and any other existing employees' share schemes (as appropriate).

As an **Ordinary Resolution**

12. That the Trust Deed of the De La Rue Employee Share Ownership Trust ("ESOT") (a copy of which is produced to the meeting and, for the purpose of identification, initialled by the Chairman) be approved and the directors be authorised to do all things as they may consider necessary or expedient to establish the ESOT. The principal features of the ESOT are summarised in the Explanatory Notes.


C L Fluker
Company Secretary

Dated: 21 July 1999

Number of Company: 58025

The Companies Act 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

DE LA RUE plc

Passed on 22 July 1998

Ordinary Resolution

8. That the directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985 (the "Act")) up to a maximum of 48,713,005 ordinary shares of 25 pence each ("ordinary shares") during the period from the date hereof up to the conclusion of the next annual general meeting of the Company after the passing of this resolution, provided that the Company may before the expiry of such period 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 Resolutions

9. That the directors be empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by resolution 8 above as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited:
- (i) to the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to their respective numbers of ordinary shares held or deemed to be held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws or requirements of any recognised regulatory body or any stock exchange or otherwise in any overseas territory or any other matter; and
 - (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £2,816,087, and this power shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution provided that the Company may

smf

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.

10. That the directors be generally and unconditionally authorised, pursuant to Article 46 of the Articles and in accordance with section 166 of the Act, to make market purchases (as defined in Section 163 of the Act) of any of the Company's ordinary shares upon, and subject to, the following conditions.
- (i) The maximum number of ordinary shares in the Company hereby authorised to be acquired is 11,264,350 shares;
 - (ii) The minimum price which may be paid for each ordinary share is 25p;
 - (iii) The maximum price which may be paid for ordinary shares is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary shares are purchased; and
 - (iv) The authority hereby conferred shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution provided that the Company may before such expiry enter into a contract for the purchase of ordinary shares which would or might be completed wholly or partly after the expiry of the authority.



.....
Sally A Field
Company Secretary

Dated: 22/7/98

The Companies Act 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

DE LA RUE plc

Passed on 23 July 1997

Special Resolutions

10. That the directors be empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by resolution 9 above as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited:
- (i) to the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to their respective numbers of ordinary shares held or deemed to be held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws or requirements of any recognised regulatory body or any stock exchange or otherwise in any overseas territory or any other matter; and
 - (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of 11,234,209 ordinary shares, and this power shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution provided 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.
11. That the directors be generally and unconditionally authorised, pursuant to Article 46 of the Articles and in accordance with section 166 of the Act, to make market purchases (as defined in Section 163 of the Act) of any of the Company's ordinary shares upon, and subject to, the following conditions.

Company No : 58025

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
RESOLUTIONS

- of -

DE LA RUE PLC (the "Company")

(passed on 10 January 2000)

At an Extraordinary General Meeting of the Company held at Exchange House, Primrose Street, London, EC2A 2HS on 10 January 2000, the following resolutions were duly passed by the Company :-

SPECIAL RESOLUTIONS

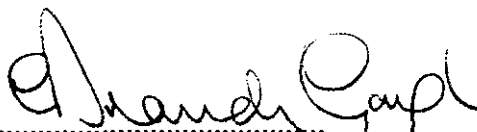
1. THAT:

- (A) the authorised share capital of the Company be reduced from £69,000,000 to £68,500,000 by cancelling and extinguishing the 500,000 2.45 per cent. cumulative preference stock units of £1 each (the "**Preference Shares**") and such reduction shall, in the case of such of the Preference Shares as are in issue, be effected by the payment to the holders thereof whose names appear on the register of members at the close of business on the day on which this reduction of capital becomes effective, of the capital paid up thereon together with the dividend accruing in respect thereof calculated up to and including the date of repayment;
- (B) upon the repayment and cancellation of the Preference Shares becoming effective:
 - (i) the articles of association of the Company be altered by:
 - (a) the deletion of the words "and 500,000 2.45 per cent. cumulative preference stock units of £1 each" in Article 3; and
 - (b) the deletion of Article 8 and the renumbering of the Articles accordingly;
 - (ii) the memorandum of association of the Company be altered by the deletion of the words "and 500,000 2.45 per cent. Cumulative Preference Stock units of £1 each" in Clause 6.

2. **THAT**, conditional upon the Court confirming the reduction of capital provided for in resolution numbered 1 in the Notice of Meeting convening the meeting at which this resolution is passed as a special resolution:
- (A) the Scheme of Arrangement dated 3 December 1999 (the "**Scheme**") proposed to be made between the Company and the holders of Ordinary Shares (as defined in the Scheme), a print of which has been produced to the meeting at which this resolution is passed and for the purposes of identification has been signed by the Chairman thereof, be and is hereby approved;
 - (B) for the purpose of giving effect to the Scheme in its original form, or with or subject to any modification, addition or condition approved or imposed by the Court:
 - (i) the share capital of the Company be reduced by cancelling all the Ordinary Shares (as defined in the Scheme);
 - (ii) forthwith and contingently upon such reduction of capital taking effect:
 - (a) the capital of the Company shall be increased to its former amount by the creation of such number of ordinary shares of 25p each ("**New Shares**") as is equal to the number of Ordinary Shares cancelled; and
 - (b) the reserve arising as a result of such reduction of capital be applied in paying up in full at par the New Shares created pursuant to sub-paragraph (ii)(a) which shall be allotted and issued, credited as fully paid up, to New De La Rue (as defined in the Scheme);
 - (iii) conditionally on the Scheme becoming effective, the directors of the Company be and are hereby authorised for the purposes of section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to effect the allotment of the New Shares referred to in paragraph (ii) above, provided that (a) the maximum nominal amount of shares which may be allotted hereunder shall be £68,500,000; (b) this authority shall expire at the next annual general meeting; and (c) this authority shall be without prejudice to any other authority under the said section 80 previously granted and in force on the date on which this resolution is passed;
 - (C) upon the Scheme becoming effective in accordance with its terms the name of the Company be changed to "De La Rue Holdings plc";
 - (D) **THAT** the articles of association of the Company be and they are hereby amended by the adoption and inclusion of the following new Article 134:

"SCHEME OF ARRANGEMENT"

- 134.1 For the purpose of this Article 134, references to the "Scheme" are to the Scheme of Arrangement between the Company and the Shareholders (each as defined in the Scheme) dated 3 December 1999 under section 425 of the Companies Act 1985 and terms defined in the Scheme and (if not so defined) in the circular containing the Explanatory Statement (as defined) circulated with the Scheme pursuant to section 426 of the Companies Act 1985 shall have the same meanings when used in this Article.
- 134.2 If the Company issues any ordinary shares of 25p each on or after the Voting Record Time and prior to the close of business on the last business day before the Hearing Date such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of such shares shall be bound by the Scheme accordingly.
- 134.3 If any ordinary shares of 25p each of the Company are allotted or issued to any person (a "new member") (other than to New De La Rue or any subsidiary undertaking of New De La Rue or anyone acting on behalf of New De La Rue or any subsidiary undertaking of New De La Rue) on or after the Hearing Date they shall, provided that the Scheme has become effective and from that time, be immediately transferred to New De La Rue in consideration of and conditional on the allotment and issue by New De La Rue to the new member of New Shares on the basis of one New Share for every ordinary share of 25p held in the capital of the Company.
- 134.4 The number of New Shares to be issued to the new member under this Article 134 may be adjusted by the De La Rue Directors in such manner as the Company's auditors may determine, on any reorganisation of the share capital of the Company or of New De La Rue.
- 134.5 In order to give effect to any such transfer required by this Article 134, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of New De La Rue and/or its nominees and to agree for and on behalf of the new member to become a member of New De La Rue. Pending the registration of New De La Rue as a holder of any share to be transferred pursuant to this Article 134, New De La Rue shall be empowered to appoint a person nominated by the De La Rue Directors to act as attorney on behalf of any holder of such share in accordance with such directions as New De La Rue may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holders of such share shall exercise all rights attaching thereto or in accordance with the directions of New De La Rue but not otherwise."



CHAIRMAN

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 7627 of 1999

MR. JUSTICE PUMFREY

MONDAY THE 31ST DAY OF JANUARY 2000

**IN THE MATTER OF
DE LA RUE PLC
AND IN THE MATTER OF THE COMPANIES ACT 1985**

ORDER

UPON THE PETITION of the above-named De La Rue plc ("the Company") whose registered office is situate at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire RG22 4BS preferred unto this Court on 12 January 2000.

AND UPON HEARING Counsel for the Company and for New De La Rue plc referred to in the Scheme of Arrangement hereinafter mentioned

AND UPON READING the said Petition and the evidence

AND UPON NEW DE LA RUE PLC by its Counsel submitting to be bound by the Scheme of Arrangement hereinafter sanctioned and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to such Scheme of Arrangement

3 **AND UPON NEW DE LA RUE PLC** and **DE LA RUE PLC** by their Counsel consenting to the amendment of clause 7(a) of the Scheme by insertion of £53,700,000 in place of £10's, 700,000 and its **THIS COURT ORDERS THAT** the reduction of the capital of the Company from £69,000,000 to £68,500,000 resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on 10 January 2000 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act *detection of clause 7(b)*

AND THIS COURT HEREBY SANCTIONS the Scheme of Arrangement as set forth in the Schedule to the said Petition and in the First Schedule hereto (the "Scheme")

AND THIS COURT ORDERS THAT the reduction of the capital of the Company from £68,500,000 to £12,133,272.50 resolved on and effected by a Special Resolution passed at the said Extraordinary General Meeting of the Company and which is reflected in the Scheme be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act

AND IT IS ORDERED THAT in accordance with section 153(3)(e) of the Companies Act 1985 the Company be at liberty to lend up to £53,700,000 to New De La Rue plc as provided by clause 7 of the Scheme, notwithstanding that such loan would otherwise involve the Company in the giving of financial assistance within section 151 of the Companies Act 1985

AND THIS COURT HEREBY APPROVES the Minute set forth in the Second Schedule hereto

AND THIS COURT DIRECTS pursuant to Section 139(2) of the said Act that the Registrar of Companies do register this Order insofar as it confirms the reduction of the capital of the Company notwithstanding that it has the effect of bringing the nominal value of the allotted share capital of the Company below the authorised minimum

AND IT IS FURTHER ORDERED

- (1) that this Order be produced by the Company to the Registrar of Companies and that it deliver an office copy to him together with a copy of the said Minute
- (2) that notice of the registration by the Registrar of Companies of this Order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published once in the *The Times* newspaper within 21 days after such registration.

✓
(31)

THE FIRST SCHEDULE

Scheme of Arrangement annexed hereto

PART 5

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

7627 of 1999

IN THE MATTER OF DE LA RUE PLC
and
IN THE MATTER OF THE COMPANIES ACT 1985
SCHEME OF ARRANGEMENT
(under Section 425 of the Companies Act 1985)
between

DE LA RUE PLC
and
THE HOLDERS OF THE ORDINARY SHARES
(as hereinafter defined)

PRELIMINARY

- (A) In this Scheme of Arrangement, unless the context otherwise requires, the following expressions shall bear the following meanings:

"De La Rue"	the company now known as De La Rue plc incorporated in England and Wales with registered number 58025, which, conditional on the Scheme becoming effective, will immediately change its name to De La Rue Holdings plc
"New De La Rue"	the company now known as New De La Rue plc incorporated in England and Wales with registered number 3834125, which, conditional on the Scheme becoming effective, will immediately change its name to De La Rue plc
"business day"	a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business
"Cash Payment"	46p per Ordinary Share
"in certificated form"	a share or other security which is not in uncertificated form
"Court"	the High Court of Justice in England and Wales
"Court Meeting"	the meeting of the holders of Ordinary Shares convened by order of the Court pursuant to section 425 of the Companies Act 1985 to consider and, if thought fit, approve this Scheme and any adjournment thereof
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo in accordance with CREST Regulations
"CRESTCo"	CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272)
"Effective Date"	the date on which this Scheme becomes effective in accordance with its terms
"Hearing Date"	the date on which the Order is made
"holder"	a registered holder and includes any person(s) entitled by transmission

- | | |
|---|---|
| “London Stock Exchange” | London Stock Exchange Limited |
| “New De La Rue Directors” | the current directors of New De La Rue, who are also the directors of De La Rue |
| “New Shares” | ordinary shares of 25p each in the capital of New De La Rue |
| “Official List” | the official list of the London Stock Exchange |
| “Order” | the order of the Court sanctioning this Scheme |
| “Ordinary Shares” | the ordinary shares of 25p each in the capital of De La Rue: <ul style="list-style-type: none"> (a) in issue at the date of this Scheme, (b) (if any) issued thereafter and prior to the Voting Record Time, and (c) (if any) issued at or after the Voting Record Time and before 8:00 p.m. on the last business day before the Hearing Date on terms that the holder shall be bound by this Scheme |
| “Preference Shares” | the 500,000 2.45 per cent. cumulative preference stock units of £1 each in the capital of De La Rue |
| “Shareholders” | holders of Ordinary Shares as appearing in the register of members of De La Rue at the Scheme Record Time |
| “Scheme Record Time” | 8:00 p.m. on the business day immediately preceding the Effective Date |
| “Scheme” | this Scheme of Arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court |
| “uncertificated” or
“in uncertificated form” | recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| “Voting Record Time” | 8:00 p.m. on 8 January 2000 or, if the Court Meeting is adjourned, 8:00 p.m. on the day before the day immediately preceding the day fixed for the adjourned Court Meeting |
- (B) The authorised share capital of De La Rue at the date of this Scheme is £69,000,000 divided into 274,000,000 Ordinary Shares, of which 225,375,095 have been issued and are credited as fully paid and the remainder are unissued and 500,000 Preference Shares all of which have been issued and credited as fully paid.
- (C) New De La Rue was incorporated in England and Wales as a private limited company on 31 August 1999 under the name Preci (1809) Limited with registered number 3834125. By virtue of a written resolution dated 24 November 1999 the name of the company was changed to New De La Rue Limited and it was re-registered as a public limited company on 30 November 1999.
- (D) The issued share capital of New De La Rue at the date of this Scheme is £50,000 divided into 8 New Shares, and 49,998 Founder Shares, all of which are credited as fully paid. At an extraordinary general meeting of New De La Rue held on 1 December 1999, the authorised share capital of New De La Rue was increased to £66,406,475 by the creation of 265,425,900 New Shares of 25p each.
- (E) The purpose of this Scheme is to provide for the cancellation of the Ordinary Shares in consideration of the allotment by New De La Rue of New Shares and the making of the Cash Payment and for New De La Rue to become the holding company of De La Rue.
- (F) New De La Rue agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by them for the purpose of giving effect to this Scheme.

THE SCHEME

1. Cancellation of Ordinary Shares

- (a) The share capital of De La Rue shall be reduced by cancelling and extinguishing the Ordinary Shares.
- (b) Forthwith and contingent upon the said reduction of capital taking effect:
 - (i) the share capital of De La Rue shall be increased to its former amount by the creation of such number of ordinary shares of 25p each as shall be of an aggregate nominal amount equal to the aggregate nominal amount of the Ordinary Shares cancelled pursuant to sub-clause (a) of this Clause, and
 - (ii) De La Rue shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, in full at par, the new ordinary shares created pursuant to Clause 1(b)(i) of this Scheme and shall allot and issue the same credited as fully paid up at par to New De La Rue and/or its nominees.
- (c) Persons who are holders of Ordinary Shares on the register of members at the close of business on 17 December 1999 shall retain their entitlement to be paid an interim dividend of 4p per Ordinary Share on 6 April 2000.

2. Consideration for the cancellation of the Ordinary Shares

- (a) In consideration of the cancellation of the Ordinary Shares and the allotment and issue of the new ordinary shares as provided in Clause 1(b)(ii) of this Scheme, New De La Rue shall (subject to the remaining provisions of this Clause and to the provisions of Clauses 3, 4 and 5 of this Scheme) allot and issue (credited as fully paid) New Shares to the Shareholders and make the Cash Payment, on the following basis:

For every 20 Ordinary Shares held 17 New Shares and 920p in cash
at the Scheme Record Time

and so in proportion for any other number of Ordinary Shares held.

- (b) Fractions of New Shares shall not be allotted but shall be aggregated and sold in the market as soon as practicable on or following the Effective Date and the net proceeds shall be paid to the persons entitled thereto.

3. Allotment and issue of New Shares

- (a) The New Shares to be issued pursuant to Clause 2(a) above shall rank in full for all dividends or other distributions made, paid or declared after the Effective Date in the ordinary share capital of New De La Rue.
- (b) The provisions of Clause 2 relating to the allotment and issue of New Shares shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Ordinary Shares with a registered address outside the United Kingdom, New De La Rue is advised that the allotment and issue of New Shares pursuant to Clause 2 would or may infringe the laws of any jurisdiction outside the United Kingdom or would or may require New De La Rue to observe any governmental or other consent or any registration, filing or other formality then New De La Rue may determine that no New Shares shall be allotted or issued to such holder under Clause 2, but shall instead be allotted to a nominee appointed by New De La Rue on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New Shares so allotted at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after the deduction of all expenses and commissions, including value added tax payable thereon) by sending a cheque to such Shareholder in accordance with the provisions of Clause 4(a) of this Scheme. None of De La Rue, New De La Rue or the nominee shall have any liability for any loss arising as a result of the timing or terms of such sale.
- (c) Not later than ten business days after the Effective Date, New De La Rue shall:
 - (i) allot and issue all of the New Shares which it is required to allot and issue pursuant to Clause 2 of this Scheme and, in the case of Ordinary Shares which at the Scheme Record Time were in certificated form, shall deliver certificates for the New Shares to the

allottees in accordance with Clause 4(a) of the Scheme. Where the Ordinary Shares at the Scheme Record Time were held in uncertificated form, New De La Rue will procure that CRESTCo is instructed to credit the appropriate stock account in CREST of the Shareholder concerned with such Shareholder's entitlement to such New Shares provided that New De La Rue may (if, for any reasons, it wishes to do so) determine that all or part of such consideration shall be settled in the manner referred to in the first sentence of this paragraph (i), and

- (ii) pay such sums as may be payable in respect of the Cash Payment and fractional entitlements to New Shares pursuant to Clause 2(b) of this Scheme, by the delivery to them of cheques in accordance with Clause 4(a) (provided that in the case of cheques relating to the sale of any relevant New Shares pursuant to Clause 3(b) such period shall be within ten business days following completion of such sale), or for Shareholders whose shares are held through CREST, by procuring payment to their CREST account.

4. Certificates, and payments

- (a) All deliveries of certificates or cheques required to be made pursuant to this Scheme shall be made by sending the same through the post in prepaid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of De La Rue at the Scheme Record Time.
- (b) None of De La Rue, New De La Rue or the nominee referred to in Clause 3(b) shall be responsible for any loss or delay in despatching of certificates, cheques or warrants sent in accordance with the provisions of this Scheme which shall be sent at the risk of the persons entitled thereto.
- (c) All cheques shall be made payable to the holder(s) of the Ordinary Shares concerned and the encashment of any such cheque or the payment to a CREST account in accordance with Clause 3(c)(ii) of this Scheme shall be a complete discharge to New De La Rue for the money represented thereby.
- (d) The preceding sub-clauses of this Clause 4 shall take effect subject to any prohibition or condition imposed by law.


5. Certificates representing Ordinary Shares

With effect from and including the Effective Date, all certificates representing Ordinary Shares shall cease to be valid in respect of such shares. In addition, with effect from and including the Effective Date, in respect of those Shareholders holding their Ordinary Shares in uncertificated form, CRESTCo shall be instructed to cancel such Shareholders' entitlement to the Ordinary Shares.

6. Mandated Payments and other instructions

All mandates and other instructions to De La Rue in force at the close of business on the Effective Date relating to Ordinary Shares shall, unless and until revoked or amended, be deemed as from the Effective Date to be valid and effective mandates and instructions to New De La Rue in relation to the corresponding New Shares allotted and issued pursuant to this Scheme.

7. Loans by De La Rue and facilities by New De La Rue

- (a) De La Rue is authorised and permitted to lend to New De La Rue the sum of ~~£103~~⁵³,700,000 or such other, lesser sum as the New De La Rue Directors may consider to be appropriate, to assist New De La Rue to make the Cash Payment provided for in 2(a) and 2(b) of the Scheme.
- (b)  New De La Rue has or intends to enter into novation agreements (each conditional on the Scheme becoming effective) with certain bank lenders to De La Rue in respect of unsecured credit facilities totalling £135,000,000 and to arrange other new facilities of £75,000,000. New De La Rue may also enter into new credit facilities. The amount of the loan from De La

5 Rue to New De La Rue referred to above will be reduced from the maximum indicated by amounts drawn under these new and novated facilities for the purpose of assisting New De La Rue to make the Cash Payments. Such new and novated facilities may include rights of set-off in respect of any amounts held by such banks for the account of New De La Rue which could be construed as financial assistance. The grant of such rights of set-off is authorised and permitted on such terms as the New De La Rue Directors consider appropriate.

8. **Operation of this Scheme**

This Scheme shall become effective as soon as an office copy of the Order sanctioning the Scheme under Section 425 of the Companies Act 1985 and confirming under Section 137 of the said Act the reduction of the capital of De La Rue provided for by this Scheme shall have been duly delivered to the Registrar of Companies for registration and, in the case of the confirmation of the reduction of capital, registered by him.

9. Unless this Scheme has become effective on or before 31 March 2000 or such later date, if any, as De La Rue and New De La Rue may agree and the Court may allow, it shall never become effective.

10. De La Rue and New De La Rue may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated the 3rd day of December 1999.

THE SECOND SCHEDULE

Minute approved by the Court

The share capital of De La Rue plc was by virtue of Special Resolutions and with the sanction of an Order of the High Court of Justice dated 31 January 2000 reduced from £69,000,000 divided into 274,000,000 Ordinary Shares of 25p each and 500,000 2.45 per cent. Cumulative Preference Stock Units of £1 to £12,133,272.50 divided into 48,533,090 Ordinary Shares of 25p each.

By virtue of a Scheme of Arrangement sanctioned by the said Order and the of the said Special Resolution the capital of the Company is increased upon such reduction of capital taking effect by the creation of 225,466,910 Ordinary Shares of 25p each. Accordingly, on the registration of this Minute the capital of the Company is £68,500,000 divided into 274,000,000 Ordinary Shares of 25p each of which 225,466,910 Ordinary Shares have been issued and are deemed to be fully paid up and the remainder are unissued.

No. 7627 of 1999

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

MR JUSTICE

MONDAY THE 31ST DAY OF JANUARY
2000

IN THE MATTER OF DE LA RUE PLC

-and-

IN THE MATTER OF THE COMPANIES
ACT 1985

ORDER

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS
Tel: 0171 374-8000
Fax: 0171 374-0888
Ref: 2328/2700/30799671

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

Amended

Memorandum of Association

OF

De La Rue Holdings plc

(Embodying alterations to 10th January 2000)

1. The Name of the Company is "DE LA RUE HOLDINGS plc".

(Note ¹)

2. The Company is to be a public company.

(Note ²)

3. The Registered Office of the Company will be situated in England and Wales.

4. The objects for which the Company is established are:

- (a) To subscribe for, take, purchase or otherwise acquire and hold shares or other interest in or securities of any other company constituted or carrying on business in the United Kingdom or elsewhere and in particular (but without prejudice to the generality of the foregoing) any company having objects altogether or in part similar to those of this Company or carrying on or proposing to carry on any business which this Company is authorised to carry on or any other business capable of being carried on so as directly or indirectly to benefit this Company.
- (b) To carry on business as security and general printers, manufacturing stationers, bookbinders, booksellers, publishers, playing card makers, makers of pens, pencils and other writing instruments, ink manufacturers,

¹ The name of the Company was changed from Thomas De La Rue and Company Limited to The De La Rue Company Limited with effect from 20th August 1958. The Company re-registered as a public company under the name The De La Rue Company p.l.c. on 7th August 1981. The name of the Company was changed from The De La Rue Company p.l.c. to De La Rue plc with effect from 19th August 1991. The name of the Company was changed from De La Rue plc to De La Rue Holdings plc with effect from 1st February 2000.

² The Company was re-registered as a public company on 7th August 1981.

manufacturers of solid fuel, gas, oil and electrically heated or operated appliances and apparatus, and manufacturers in all kinds of minerals, metals, materials, substances, processes and products, whether natural or artificial, including in particular (but without prejudice to the generality of the foregoing) chemicals, resins and plastics.

- (c) To carry on the trades or business of lithographers, photographers, photographic printers, designers, draughtsmen, engravers, die sinkers, stereotypers, electrotypers, paper and cardboard makers, pattern makers, gas, water, electrical and general engineers, manufacturers of printing machinery, manufacturers of and dealers in mechanical, electrical, electro-mechanical, electronic and other instruments and in particular (but without prejudice to the generality of the foregoing) data processing, calculating and counting machines, manufacturers of building, constructional and insulating materials, electro-platers, goldsmiths, silversmiths, metallurgists, metal founders, metal workers, metal refiners, vulcanite and ivory turners, woodworkers, leather workers, makers of toys, games and sports equipment, box makers, instrument makers, toolmakers, chemists, chemical manufacturers, painters, paint, colour and pigment manufacturers, dyers, dye makers, garage proprietors, wharfingers, shipowners, carriers by road, rail, sea and air, of goods and materials of every description and of whatsoever nature, including in particular (but without prejudice to the generality of the foregoing) bullion, coin, bank and other notes, gems, and precious stones and to undertake or provide for the protection, security and distribution thereof, manufacturers of motor vehicles, motor body builders, boat builders and manufacturers and merchants of and agents and dealers in machinery, apparatus, equipment, utensils, materials, substances, articles and things of all kinds used in or required for or capable of being used in connection with any business for the time being carried on or proposed to be carried on by the Company or by any subsidiary or customer of the Company.
- (d) To purchase or otherwise acquire and undertake all or any part of the business, property, and liabilities of any person or company carrying on any business which this Company is authorised to carry on or any other business capable of being carried on so as directly or indirectly to benefit this Company.
- (e) To purchase or otherwise acquire, maintain, improve, manage, work, control and superintend any business or businesses whether manufacturing or of any other nature whatsoever which may seem directly or indirectly conducive to any of the Company's objects, and to contribute to, subsidise, or otherwise assist or take part in any such operations.
- (f) To co-ordinate the administration of any group or groups of two or more companies under the control of the Company.
- (g) To promote, organise and register, and to pay the expenses of the promotion, formation, and registration, of any company whether constituted in the United Kingdom or elsewhere, the shares or other interests in or securities of which this Company is authorised to hold and to guarantee the payment of any debentures or other securities issued by any such company and to subsidise, underwrite the capital of, or otherwise assist any such company.

- (h) To purchase or otherwise acquire any patents, brevets d'invention, concessions or licences conferring an exclusive or non-exclusive or limited right to use any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property rights and information so acquired.
- (i) To enter into any arrangement with any government or authorities, supreme, municipal, local, or otherwise, and to obtain from any such government or authorities all rights, concessions, and privileges which may seem conducive to the Company's objects, or any of them.
- (j) To enter into partnership or into any arrangement for sharing profits, union of interests, reciprocal concession, or co-operating with any person or company carrying on, or about to carry on, any business which this Company is authorised to carry on, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
- (k) Generally, to purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property, and any rights and privileges which the Company may think necessary or convenient with reference to any of these objects, and capable of being profitably dealt with in connection with any of the Company's property or rights for the time being, and in particular any lands, buildings, easements, licences, labels, trade marks, machinery, plant and stock-in-trade.
- (l) To pay pensions, allowances and gratuities to persons who are or have been Directors or employees of the Company and to the families and dependants of such persons; to establish and maintain or to participate in establishing or maintaining trusts, funds or schemes for the provisions of such payments; to make payments for or towards insurance; and to make payment for any charitable or benevolent or public or useful purposes which in the opinion of the Directors are calculated to advance the interests of the Company or of its officers or employees.
- (m) To undertake, subscribe to, or otherwise aid undertakings for the purpose of opening out trade, or making experiments or investigations or conducting research with any of the objects of the Company.
- (n) To sell the undertaking, property and rights of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for shares or debentures, debenture stock, or other securities of any other company.
- (o) To invest and deal with the moneys of the Company not immediately required upon such stocks, shares or securities, and in such manner as may from time to time be determined.
- (p) To lend money to such parties and on such terms as may seem expedient, with or without security, and to give any guarantee or indemnity as may seem

expedient, and to discount bills, to receive money on deposit, at interest or otherwise, and to undertake the safe custody of valuables.

- (q) To obtain any Provisional Order or Act of Parliament for enabling the Company to carry its objects into effect, or for effecting any modification of the Company's constitution.
- (r) To procure the Company to be incorporated, registered, or otherwise recognised in any foreign State, or any Colony or Dependency of the United Kingdom.
- (s) To raise or borrow or secure the payment of money in such manner and on such terms as may seem expedient, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, and charged or not charged upon the whole or any part of the property of the Company, both present and future, including its uncalled Capital for the time being, and to pay off or redeem the same as may seem expedient.
- (t) To receive, borrow, or raise money, with or without pledge or security, from any shareholder or shareholders, or Director or Directors of the Company, or from any other person or persons, or from any corporate body, on deposit, at interest, or for safe custody, or otherwise.
- (u) To remunerate any parties for services rendered or to be rendered in furthering the interests of the Company, or in placing or assisting to place any shares in the Company's Capital, or any debentures, debenture stock, or other securities of the Company.
- (v) To draw, accept, endorse, execute, issue and negotiate bills of exchange, promissory notes, warrants, debentures and other negotiable or transferable instruments.
- (w) To sell, improve, manage, develop, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with all or any of the property and rights of the Company.
- (x) To distribute among the Members of the Company in specie any shares or securities belonging to the Company or any property or assets of the Company.
- (y) To act as secretaries, managers, registrars or transfer agents for any other company.
- (z) To do all such other things as are incidental or conducive to the attainment of the above objects, whether of the like or other nature, or which may be calculated directly or indirectly to enhance the value of or render profitable any business or property of the Company.

And it is hereby declared that the word "company" in this Clause, except where used with reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated, and whether domiciled or registered in the United Kingdom or elsewhere, and that the objects specified in the different paragraphs of the Clause shall not, except where the context expressly so requires, be in anywise limited or

restricted by reference to or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

5. The Liability of the Members is Limited.
6. The Capital of the Company is £68,500,000 divided into 274,000,000 Ordinary shares of 25p each.

(see Notes below)

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES, AND DESCRIPTIONS OF SUBSCRIBERS	Number of "B" Preference Shares taken by each Subscriber
T. ANDROS DE LA RUE 52 Cadogan Square, SW Baronet	One
HUGO MULLER 13 Park Square, Regent's Park Merchant	One
W T SHAW Hypatia Lodge, Campden Hill, W. Merchant	One
W P FULLER 2 Verulam Buildings Gray's Inn, WC Chartered Accountant	One
W AULD 34a Emperor's Gate, SW Merchant	One
THOS FAIRHALL 107 Bunhill Row, EC Manager	One
F L COWNLEY 26 Barry Road East Dulwich, SE Accountant	One

Dated the 1st day of July 1898,
HENRY COOKE
1 Copthall Buildings
London
Solicitor

NOTES

1st July 1898. On the incorporation of the Company the Capital was £1,200,000 divided into 30,000 "A" Preference Shares, 40,000 "B" Preference Shares and 50,000 Ordinary Shares, all of £10 each. The rights of the said Preference Shares were defined in the 6th, 7th and 8th Clauses of the Memorandum of Association, which was subsequently altered by the Rearrangement of 1921 (See below).

30th December 1910. The Capital of the Company was reduced to £640,000 divided into 14,000 "B" Preference Shares of £10 each 1910 and 50,000 Ordinary shares of £10 each. Such reduction was confirmed by an Order of the High Court of Justice dated the 18th July 1911.

Reduction, 1910

On the reduction of the Company's Capital the following Minute was approved by the Court:

The Capital of the Company is £640,000 divided into 14,000 "B" Preference Shares of £10 each and 50,000 Ordinary Shares of £10 each instead of the original Capital of £1,200,000 divided into 30,000 "A" Preference Shares of £10 each, 40 000 "B" Preference Shares of £10 each, and 50,000 Ordinary Shares of £10 each. At the time of the registration of this Minute the sum of £10 per Share has been and is to be deemed paid on each of the said 14,000 "B" Preference Shares and 50,000 Ordinary Shares.

3rd August 1911. The said Order and Minute were registered with the Registrar of Joint Stock Companies.

4th July 1921. The special rights and privileges attaching to the "B" Preference Shares were cancelled and extinguished and the Capital of the Company was consolidated into a single class of 64,000 Shares of £10 each, which £10 Shares were sub-divided into ten Shares of £1 each and by an Order of the High Court of Justice of the 19th July 1921, the following Clause was substituted for the 5th, 6th, 7th and 8th Clauses of the Company's Memorandum of Association:-

Rearrangement, 1921

5th. The Capital of the Company is £640,000, divided into 640,000 Ordinary Shares of £1 each.

28th October 1921. The Capital of the Company was increased to £2,000,000 divided into 2,000,000 Ordinary Shares of £1 each.

Increase, 1921

25th March 1925. The Capital of the Company was reduced to £1,376,000, divided into 1,376,000 Shares of £1 each. Such reduction was confirmed by an Order of the

Reduction, 1925

High Court of Justice dated the 28th April 1925.

On the reduction of the Company's Capital the following Minute was approved by the Court:

The Capital of Thomas De La Rue and Company Limited and Reduced was by virtue of a Special Resolution of the Company and with the sanction of an Order of the High Court of Justice dated the 28th day of April 1925 reduced from the former Capital of £2,000,000 consisting of 2,000,000 Shares of £1 each to £1,376,000 divided into 1,360,000 Shares of £1 each and 640,000 Shares of 6d each. At the date of the registration of this Minute the whole of the 640,000 Shares of 6d each had been issued on each of which the sum of 6d had been and was to be deemed paid up and none of the said 1,360,000 Shares of £1 each had been issued.

A Special Resolution has been passed and confirmed that on such reduction taking effect the 640,000 Shares of 6d each be consolidated into 16,000 Shares of £1 each.

13th May 1925. The said Order and Minute were registered with the Registrar of Companies.

11th February 1932. The Capital of the Company was reduced to £1,012,016, divided into 1,012,016 Shares of £1 each. Such reduction was confirmed by an Order of the High Court of Justice dated the 7th March 1932. Reduction, 1932

On the reduction of the Company's Capital the following Minute was approved by the Court: The Capital of Thomas De La Rue and Company Limited was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated the 7th March 1932, reduced from £1,376,000, divided into 1,376,000 Shares of £1 each to £1,012,016, divided into 769,360 Shares of £1 each and 606,640 Shares of 8s each. At the time of the registration of this Minute all the said 606,640 Shares of 8s each Nos. 1 to 606,640 has been issued on each of which the sum of 8s is deemed to be paid up and the remaining 769,360 Shares of £1 each are unissued.

A Special Resolution of the Company has been passed to take effect upon the registration of this Minute consolidating the said 606,640 issued Shares of 8s each into 242,656 Shares of £1 each to be numbered 1 to 242,656.

21st March 1931 The said Order and Minute were registered with the Registrar of Companies.

5th February 1947. 500,000 unissued Shares were converted into 3.5 per cent Cumulative Preference Shares and 347,000 issued Shares and 116,000 unissued Shares were designated ordinary Shares the balance of 49,016 Shares remaining unclassified.

The said 347,000 Shares were converted into Stock.

16th April 1948. The said 500,000 3½ per cent cumulative Preference Shares and 116,000 Ordinary Shares, having been issued were converted into Stock.

Conversion to Stock, 1948

26th March 1952. The Capital, of the Company was increased to £2,000,000 by the creation of 3,951,936 Ordinary Shares of 5s each. The 49,016 unclassified Shares of £1 each were designated Ordinary Shares and each of them sub-divided into 4 Ordinary Shares of 5s each. £463,000 Ordinary Stock was reconverted into Ordinary Shares of £1 each and each of them sub-divided into 4 Ordinary Shares of 5s each. The 1,852,000 Ordinary Shares of 5s each already issued were converted into Stock.

Increase, 1952

28th March 1952. A further 1,852,000 Ordinary Shares of 5s each were converted into Stock.

Conversion to Stock, 1952

25th July 1956. The Capital of the Company was increased to £3,000,000 by the creation of 4,000,000 Ordinary Shares of 5s each.

Increase, 1956

12th March 1958. £926,000 Ordinary Stock in the Capital of the Company was reconverted into Ordinary Shares of 5s each; all the Ordinary Shares of 5s each in the Capital of the Company were consolidated so that 2 became 1 Ordinary Share of 10s so as to comprise 5,000,000 Ordinary Shares of 10s each.

Re-Organisation, 1958

23rd July 1958. The Capital of the Company was increased to £5,000,000 by the creation of 4,000,000 Ordinary Shares of 10s each.

Increase, 1958

25th July 1962. The Capital of the Company was increased to £6,500,000 by the creation of 3,000,000 Ordinary Shares of 10s each.

Increase, 1962

29th July 1964. The Capital of the Company was increased to £7,500,000 by the creation of 2,000,000 Ordinary Shares of 10s each.

Increase, 1964

23rd September 1974. The Capital of the Company was increased to £9,250,000 by the creation of 3,500,000 Ordinary Shares of 50p each.

Increase, 1974

28th July 1976. The Capital of the Company was increased

Increase, 1976

to £11,000,000 by the creation of 3,500,000 Ordinary Shares of 50p each.

13th January 1978. Each of the 21,000,000 Ordinary Shares of 50p each in the Capital of the Company was sub-divided into 2 Ordinary shares of 25p each. Sub-division, 1978

22nd July 1981. The Capital of the Company was increased to, £13,000,000 by the creation of 8,000,000 Ordinary Shares of 25p each. Increase, 1981

22nd July 1986. The Capital of the Company was increased to £46,000,000 by the creation of 132,000,000 Ordinary Shares of 25p each. Increase, 1986

7th November 1991. The Capital of the Company was increased to £61,500,000 by the creation of 62,000,000 Ordinary Shares of 25p each. Increase, 1991

9th January 1995. The Capital of the Company was increased to £69,000,000 by the creation of 30,000,000 Ordinary Shares of 25p each. Increase, 1995

10th January 2000. The Capital of the Company was reduced to £68,500,000 divided into 274,000,000 ordinary shares of 25p each. Such reduction was confirmed by an Order of the High Court of Justice dated 31st January 2000. Scheme of Arrangement and Reduction, 2000

On the reduction of the Company's capital the following Minute was approved by the Court:

The share capital of De La Rue plc was by virtue of Special Resolutions and with the sanction of an Order of the High Court of Justice dated 31 January 2000 reduced from £69,000,000 divided into 274,000,000 Ordinary Shares of 25p each and 500,000 2.45 per cent. Cumulative Preference Stock Units of £1 to £12,133,272.50 divided into 48,533,090 Ordinary Shares of 25p each.

By virtue of a Scheme of Arrangement sanctioned by the said Order and the of the said Special Resolution the capital of the Company is increased upon such reduction of capital taking effect by the creation of 225,466,910 Ordinary Shares of 25p each. Accordingly, on the registration of this Minute the capital of the Company is £68,500,000 divided into 274,000,000 Ordinary Shares of 25p each of which 225,466,910 Ordinary Shares have been issued and are deemed to be fully paid up and the remainder are unissued.

1st February 2000. The said Order and Minute were registered with the Registrar of Companies.

THE COMPANIES ACTS, 1862 TO 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

De La Rue Holdings plc

(Adopted by Special Resolution passed on 21st July 1993)
(Amended by Special Resolution passed 10th January 2000)

PRELIMINARY

1. (1) In these articles the following words bear the following meanings:-

"the Act"	subject to paragraph (3) below, the Companies Act 1985;
"these articles"	the articles of the Company;
"clear days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"executed"	any mode of execution;
"the Group"	the Company and any subsidiary or subsidiaries of the Company;
"holder"	in relation to shares, the member whose name is entered in the register of members as the holder of the shares;
"recognised person"	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 185(4) of the Act;
"Office"	the registered office of the Company;
"the seal"	the common seal of the Company and an official seal kept by the Company by virtue of section 40 of the Act, or either of them as the case may require;
"secretary"	any person appointed by the directors to perform the duties

of the secretary of the Company, including (subject to the provisions of the Act) a joint, assistant or deputy secretary;

(2) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act.

(3) A reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it for the time being in force.

(4) Unless the context otherwise requires-

(a) words in the singular include the plural, and vice versa;

(b) words importing any gender include all genders; and

(c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

(5) References to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form.

(6) The headings are inserted for convenience only and do not affect the construction of these articles.

2. The regulations contained in Table A do not apply to the Company.

SHARE CAPITAL

3. The share capital of the Company is £68,500,000 divided into 274,000,000 ordinary shares of 25 pence each.

4. Subject to the provisions of the Act-

(a) the unissued shares in the Company shall be at the disposal of the directors, who may allot, grant options over or otherwise dispose of them to such persons and on such terms as the directors think fit.

(b) shares may be issued on the terms that they are, 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 these articles.

5. 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 (or, if the Company does not so determine, as the directors may determine).

6. 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.

7. Except as required by law, no person shall be recognised by the Company as holding any share upon trust and (except as otherwise provided by these 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 of it in the holder,

MODIFICATION OF CLASS RIGHTS

8. None of the rights, privileges or conditions for the time being attached or belonging to any class of shares forming part of the issued capital for the time being of the Company shall be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or the sanction of an extraordinary resolution passed at a separate meeting of the members of that class. To any such separate meeting all the provisions of these articles as to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two members of the class holding or representing by proxy one third of the capital paid up on the issued shares in the class and, at an adjourned meeting, one member holding shares of the class in question or his proxy, and so that any holder of shares of the class in question present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these articles or by the terms of issue of the shares of that class, be deemed to be modified, varied or abrogated by the creation or issue of further shares ranking *par passu* therewith.

SHARE CERTIFICATES

9. (1) Every holder of shares (other than a recognised person in respect of whom the Company is not required by law to complete and have ready a certificate) 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 that holding) or, upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares. Every certificate shall be under the seal or bearing an imprint or representation of the seal or such other form of authentication as the directors may determine 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 on them. 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.

(2) 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 any exceptional expenses 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

10. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to all amounts payable in respect of it.

11. The Company may sell, in such manner as the directors determine, any share on which the Company has a lien if an amount 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 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.

12. To give effect to the sale the directors may authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

13. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount 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 share sold and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES AND FORFEITURE

14. Subject to the terms of allotment, the directors may make calls upon the members in respect of any amounts 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 an amount due under it, be revoked in whole or in 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 of which the call was made.

15. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

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

17. If a call remains unpaid after it has become due and payable the person from whom it is due 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 shares in question 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.

18. 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 these articles shall apply as if that sum had become due and payable by virtue of a call.

19. Subject to the terms of allotment, the directors may differentiate between the holders in the amounts and times of payment of calls on their shares.

20. The directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate as the member and the directors agree.

21. 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. If the notice is not complied with, any shares 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 amounts payable in respect of the forfeited shares and not paid before the forfeiture.

22. 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 the disposition, the forfeiture may be cancelled on such terms as the directors determine. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorise someone to execute an instrument of transfer of the share to that person.

23. 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 amounts 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 amounts 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.

24. 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

25. The instrument of transfer of a share may be in any usual form or in any other form which the directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.

26. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid. They may also refuse to register a transfer of a share unless the instrument of transfer-

- (a) is lodged, duly stamped, at the Office or at such other place as the directors may appoint and (except in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share 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) is in respect of only one class of share; and
- (c) is in favour of not more than four transferees.

27. 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.

28. The registration of transfers of shares or 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.

29. 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.

30. 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 (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.

31. Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

DESTRUCTION OF DOCUMENTS

32. (1) The Company may destroy:-

- (a) any instrument of transfer, after six years from the date on which it is registered;
- (b) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded;
- (c) any share certificate, after one year from the date on which it is cancelled; and
- (d) any other document on the basis of which any entry in the Register of Members is made, after six years from the date on which it is recorded.

(2) It shall be conclusively presumed in favour of the Company that every entry in the register of members purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company: provided that-

- (a) this article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document otherwise than as provided for in this article which would not attach to the Company in the absence of this article; and
- (c) references in this article to the destruction of any document include references to the disposal of it in any manner.

UNTRACED SHAREHOLDERS

33. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if-

- (a) for a period of twelve years no cheque or warrant for amounts payable in respect of the share sent and payable in a manner authorised by these articles has been cashed and no communication has been received by the Company from the member or person concerned;
- (b) during that period at least three dividends in respect of the share have become payable;
- (c) the Company has, after the expiration of that period, by advertisement in a leading national daily newspaper published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, and by notice to the Quotations Department of The Stock Exchange, London if shares of the class concerned are listed or dealt in on that exchange, given notice of its intention to sell such share; and
- (d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.

(2) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or persons entitled by the transmission to such share or stock. The Company shall account to the member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed or in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

TRANSMISSION OF SHARES

34. If a member dies the survivor where he was a joint holder, or his personal representative where he was a sole holder or the only survivor of joint holders, shall be the only person recognised by the Company as having any title to his interest; but nothing in this article shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

35. 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 provisions of these articles relating to the transfer of shares shall apply to the notice or instrument or transfer as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member had not occurred.

36. A person becoming entitled to a share by reason 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 general meeting or at any separate meeting of the holders of any class of shares.

DISCLOSURE OF INTERESTS

37. (1) No member shall, unless the directors otherwise determine, be entitled in respect of any share held by him to:-

- (a) exercise (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll, any voting or other right in relation to such meeting; or
- (b) (except in a liquidation) receive any dividend or other payment by virtue of his holding of such share; or
- (c) transfer any such share or, in the case of an unissued share, any transfer of the right to be issued with it; or
- (d) be issued with any further share(s) in right of such share or in pursuance of any offer made to its holder,

if he or any other person appearing to be interested in the share has been given a relevant notice in relation to that share and has failed to give the Company the information thereby required within twenty-eight days from the date of the notice.

(2) For the purposes of this article-

- (a) "relevant notice" means
 - (i) a notice under section 212 of the Act; and
 - (ii) a notice in writing from the Company requiring a member or any other person appearing to be interested in a share, being a corporation or an unincorporated body, to state in writing the names and addresses of the directors of such corporation or in the case of an unincorporated body, the names and addresses of the persons having management control over such body;
- (b) a person other than a member shall be treated as appearing to be interested in a share if the member holding the share has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from

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

- (c) "interested" shall be construed as it is for the purpose of section 212 of the Act; and
- (d) reference to a person having failed to give the Company the information required by a relevant notice includes
 - (i) reference to his having failed or refused to give all or any part of it; and
 - (ii) reference to the directors of the Company not being satisfied that the information given to the Company in compliance or purported compliance with a relevant notice is true and accurate in all material respects and in such case the Company has served notice to that effect on the member in question.

(3) Where, on the basis of information obtained from a member or elsewhere in respect of any share held by him, the Company gives a relevant notice to any other person other than pursuant to section 217 of the Act, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (i) above.

STOCK

38. The Company may by ordinary resolution convert any paid up shares into stock and re convert any stock into paid up shares of any denomination.

39. A holder of stock may transfer it or any part of it in the same manner, and subject to the same provisions of these articles, as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the directors may fix the minimum amount of stock transferable at an amount not exceeding the nominal amount of any of the shares from which the stock arose.

40. A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose: provided that no such right (except participation in dividends and in the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.

41. All the provisions of these articles applicable to paid up shares shall apply to stock, and the words "share" and "member" shall include "stock" and "stockholder" respectively.

ALTERATION OF CAPITAL

42. 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, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;
- (d) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others; and
- (e) 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.

43. 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 to any person (including, subject to the provisions of the Act, the Company) the shares representing the fractions for the best price reasonably obtainable 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.

44. 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

45. Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares, but not unless the purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of convertible shares in the Company.

GENERAL MEETINGS

46. All general meetings other than annual general meetings shall be called extraordinary general meetings.

47. The directors may call general meetings and on a members' requisition under section 368 of the Act shall convene an extraordinary general meeting as provided by the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or, if there is no director within the United Kingdom, any member of the Company may call a general meeting.

NOTICE OF GENERAL MEETINGS

48. Subject to the provisions of the Act, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice, and all other extraordinary general meetings shall be

called by at least fourteen clear days notice. The notice shall specify the place, the day and the time of 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 these articles, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors of the Company.

49. 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

50. No business shall be transacted at any meeting unless a quorum is present. Three 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 which is a member, shall be a quorum.

51. If a quorum is not present within fifteen minutes after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting shall, if convened on the requisition of members, be dissolved and, in any other case, shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the persons present, if more than one, shall be a quorum or, if the persons present are not more than one, the meeting shall be dissolved.

52. The chairman (if any) of the board of directors, or in his absence the vice-chairman, or in the absence of both of them some other director nominated by the directors, shall preside as chairman of the meeting, but if neither the chairman nor the vice-chairman nor such other director (if any) is 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 present to be chairman and, if there is only one director present and willing to act, he shall be chairman.

53. 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.

54. 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.

55. 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 and, without such consent, the chairman may adjourn any meeting at which a proposal of importance is made for the consideration of the meeting where in his judgement (which shall not be challenged) a larger attendance of members is desirable, 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 thirty 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 notice of an adjournment.

56. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.

57. 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 not less than five 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 on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

58. 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.

59. 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.

60. 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.

61. 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.

62. 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.

63. No notice need be given of a poll not taken forthwith.

VOTES OF MEMBERS

64. 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 who is not himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every share and one vote for every 25 pence in nominal amount of stock held by him.

65. In the case of joint holders the vote of the senior who tenders a vote 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.

66. If a member be of unsound mind or otherwise incapacitated he may vote by his curator bonis, committee or other legal curator and such last mentioned persons may give their vote either personally or by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these 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.

67. No member shall have the right to be present or to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

68. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

69. On a poll votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorised representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. A proxy need not be a member.

70. An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor. A corporation may execute a form of proxy either under its common seal or under the hand of a duly authorised officer.

A member may appoint more than one proxy to attend on the same occasion provided that the instrument appointing such proxies shall specify the shares held by the member in respect of which each such proxy is to vote and no member may appoint more than one proxy to vote in respect of any one share held by that member. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it.

71. The instrument appointing a proxy and any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the directors may-

- (a) be deposited at the Office or at such other place in 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 forty-eight 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 forty-eight hours after it was demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four hours before the time appointed for taking the poll; or
- (c) where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting 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.

72. 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 not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

73. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of these articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a corporate member shall be the same as a demand made by the member).

74. The directors may at the expense of the Company send instruments of proxy to the members by post or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

CORPORATIONS ACTING BY REPRESENTATIVES

75. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares. The person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

DIRECTORS

76. Unless otherwise determined by the Company by ordinary resolution the number of directors shall not be less than three nor more than eighteen.

77. A director shall not require a share qualification.

78. The directors other than those holding salaried employment in the Company shall be entitled to such fees for their services in the office of director as the directors may determine (not exceeding in the aggregate an annual sum of £350,000 or such larger amount as the Company may by ordinary resolution decide) divided between the directors as all the directors agree, or failing agreement, equally. The fees shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the directors or general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties as directors.

ALTERNATE DIRECTORS

79. A director may from time to time by writing under his hand appoint another director or any other person to be his alternate but no such appointment of any person not being a director shall be operative unless and until approved by a meeting of the directors. Every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notice may be served upon him) be entitled to notice of meetings of the directors and to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to have and exercise all the powers, rights, duties and authorities of the director appointing him. Every such alternate shall also be entitled in the absence from the United Kingdom of the director appointing him to sign on his behalf a resolution in writing of the directors. The remuneration of an alternate shall be payable out of the remuneration payable to the director appointing him, and shall consist of such portion of the last mentioned remuneration as shall be agreed between such alternate and the director appointing him. A director may by writing under his hand deposited at the Office at any time revoke the appointment of an alternate appointed by him. If a director shall die or cease to hold the office of director the appointment of his alternate shall thereupon cease and determine: provided that if any director retires at any meeting (whether by rotation or otherwise) but is re-appointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this article which was in force immediately prior to his retirement shall continue to operate after his re-appointment as if he had not so retired. An alternate director shall not (save as aforesaid) have power to act as director nor shall he be deemed to be a director for the purposes of these articles.

POWERS OF DIRECTORS

80. The business of the Company shall be managed by the directors who, subject to the provisions of the Act, the memorandum and these articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the memorandum or these 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 these articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

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

(2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all money borrowed by any member of the Group (excluding amounts borrowed by any member of the Group from any other member of the Group, other than amounts to be taken into account under paragraph (4)(e) and (f) of this article) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed a sum equal to two and a half times the adjusted total of share capital and consolidated reserves.

(3) For the purposes of this article, the "adjusted total of share capital and consolidated reserves means the aggregate of-

- (a) the amount paid up on the issued share capital of the Company; and
- (b) the amounts standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account and capital redemption reserve and any credit balance on the consolidated profit and loss account);

all as shown in the then latest audited consolidated balance sheet of the Group but

- (i) after making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such capital and reserves subsequent to the relevant balance sheet date and so that for this purpose if any issue or proposed issue of shares by a member of the Group for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including the premium) of the subscription monies payable in respect thereof (not being monies payable later than three months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (ii) after making such adjustments as may be appropriate to reflect any change in the companies comprising the Group or in the Company's interest therein;
- (iii) after deducting any debit balance on the consolidated profit and loss account;

- (iv) after excluding therefrom amounts attributable to outside shareholders in subsidiary undertakings of the Company;
- (v) after making an appropriate deduction in respect of any distribution, other than to a member of the Group, out of profits included in the credit balance on such profit and loss account as shown in such balance sheet to the extent such distribution has not been provided for therein;
- (vi) after deducting therefrom any amounts attributable to goodwill provided that there shall be added back any amounts in respect of goodwill arising on consolidation or on acquisition of brands, businesses or companies remaining within the Group (in the case of subsidiary undertakings so as to reflect the Company's continuing interest therein) noted in, or disclosed in the notes to, the then latest published audited consolidated balance sheet of the Group as having been written off since 31st March 1991 against share capital and consolidated reserves; and
- (vii) after making such adjustments, if the calculation is being made for the purposes of a contemplated transaction, as would be appropriate if such transaction and any contemporaneous transaction had been carried out.

(4) For the purposes of this article, but without prejudice to the generality of the terms "borrowing" and "borrowed" and so that there shall be no double counting-

- (a) the principal amount (including any fixed or minimum premium payable on final repayment) of any debentures issued by any member of the Group shall be taken into account as money borrowed by such member save where the amount raised by the Company or any of its subsidiaries by the issue of any debentures, debenture stocks, loan stocks, bonds, notes or other indebtedness is less than the principal amount thereof (including for these purposes any fixed or minimum premium payable on final redemption or repayment but disregarding the expenses of any such issue) the amount to be treated as money borrowed by such member for the purpose of this article shall, so long as the principal amount of such money borrowed is not due and payable, be the nominal or principal amount thereof (together with any fixed or minimum premium payable on final redemption or repayment) but after deducting therefrom the unexpired portion of any discount applied to such amount in the latest published audited consolidated balance sheet of the Group;

- (b) the nominal amount of any share capital and the principal amount of any money borrowed the beneficial interest in which is not owned by a member of the Group and where the repayment of which is guaranteed or secured by, or is the subject of an indemnity by, a member of the Group shall be taken into account as money borrowed by such member of the Group;
- (c) the nominal amount of any issued share capital of any member of the Group (not being equity share capital and other than share capital beneficially owned by a member of the Group) shall be taken into account as money borrowed by such member of the Group;
- (d) the acceptance of bills by any member of the Group (not being acceptances of trade bills for the purchase of goods in the ordinary course of business) or by any bank or accepting house under any acceptance credit opened on behalf of any member of the Group shall be taken into account as money borrowed by such member;
- (e) money borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion of it equal to the minority proportion, and money borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group shall (subject to sub-paragraph (f) of this paragraph) be taken into account to the extent of a proportion of it equal to the minority proportion (and for the purpose of this sub-paragraph "minority proportion" means the proportion of the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company);
- (f) in the case of money borrowed and owing to a partly-owned subsidiary undertaking by another partly-owned subsidiary undertaking the proportion which would otherwise be taken into account under sub-paragraph (e) of this paragraph shall be reduced by excluding such part of it as is equal to the proportion of the issued equity share capital of the borrowing subsidiary undertaking which is not attributable, directly or indirectly, to the Company;
- (g) amounts borrowed for the purpose of repaying the whole or any part of any amounts borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
- (h) borrowings of a company becoming a subsidiary undertaking of the Company for a period of six months from the date of it becoming a subsidiary undertaking to the extent that such

borrowings do not exceed its borrowings outstanding on the date it becomes a subsidiary undertaking shall not be taken into account as money borrowed; and

- (i) money borrowed denominated or repayable in a currency other than sterling shall be treated as converted into sterling
 - (i) at the rate of exchange used for conversion of that currency in the latest audited balance sheet of the Company; or
 - (ii) if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet,

but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

(5) For the purposes of calculating the limit of money borrowed under this article there shall be credited (subject in the case of any item held or deposited by a partly-owned subsidiary undertaking to the exclusion of such part of it as is equal to the proportion or the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company) against the amount of any money borrowed the aggregate of-

- (a) cash in hand and cash deposits and the credit balance on each current account of each member of the Group with banks in the United Kingdom or elsewhere if the remittance of the cash and credit balances to the United Kingdom is not prohibited by any law, regulation, treaty or official directive provided that, if such remittance is prohibited, the cash or credit balance shall nonetheless be credited against the amount of money borrowed but only to the extent that the same may be set-off against or act as security for any money borrowed for the purposes of this article; and
- (b) the amount of all certificates of deposits and securities of governments and companies and similar instruments owned by any member of the Group but only to the extent the same are or represent amounts readily available to be applied towards the repayment of money borrowed ("short term assets"); and
- (c) the amount of any cash or short term assets securing the repayment by the Group or any amount borrowed by the Group deposited or otherwise placed with a trustee or similar entity in respect of or to secure the relevant borrowing except to the extent that such cash represents the proceeds of money

borrowed but not included pursuant to sub-paragraph (4) of this article.

(6) In this article-

- (a) "the Group" means the Company and its subsidiary undertakings (if any); and
- (b) references to a consolidated balance sheet and profit and loss account of the Group are to be taken
 - (i) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the balance sheet and profit and loss account of the Company;
 - (ii) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective balance sheets and profit and loss accounts of the companies comprising the Group; and
 - (iii) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Act, been excluded from consolidation, as references to the consolidated balance sheet and profit and loss account of the Company and those of its subsidiary undertakings included in the consolidation.

(7) The determination of the Company's auditors as to the amount of the adjusted total of share capital and consolidated reserves or as to the aggregate amount of money borrowed failing to be taken into account for the purposes of, or as to compliance with, the foregoing limit at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Company's auditors may at their discretion make such further or other adjustments (if any) as they think fit.

(8) No debt incurred or security given in respect of money borrowed or to be taken into account as money borrowed in excess of the limit referred to in this article shall be invalid or ineffectual except in the case where express notice has been given to the lender or to the recipient of the security at the time when the debt was incurred or security given that the limit imposed by this article had been or would thereby be exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

DELEGATION OF DIRECTORS' POWERS

82. (1) The directors may delegate any of their powers-

- (a) to any managing director or any director holding any other executive office;

- (b) to any committee consisting of one or more directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors; and
- (c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere.

(2) Any such delegation may be subject to any conditions the directors impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject as aforesaid, the proceedings of any committee, local board or agency with two or more members shall be governed by such of these articles as regulate the proceedings of directors so far as they are capable of applying.

83. The directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and with such powers and subject to such conditions as they think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with the agent as the directors may think fit, and may also authorise the agent to sub-delegate all or any of the powers vested in him.

APPOINTMENT AND RETIREMENT OF DIRECTORS

84. At the annual general meeting in every year 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.

85. Subject to the provisions of the Act and to the following provisions of these articles, the directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election and any further directors so to retire 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.

86. 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 a resolution for the reappointment of the director is put to the meeting and lost.

87. 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 seven nor more than thirty-five days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment 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 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.

88. At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

89. 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.

90. 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 as the maximum number of directors. A director so appointed shall retire at 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.

91. Subject as aforesaid, a director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

92. Without prejudice to the provisions of the Act, the Company may, by ordinary resolution, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the director and the Company) and may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.

93. 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; or
- (c) if he becomes of unsound mind or physically or mentally incapable of performing the functions of a director and the directors shall resolve that he be disqualified; or
- (d) he resigns his office by notice in writing to the Company (but in the case of a director holding an executive office subject to the terms of any contract between him and the Company); or
- (e) he is absent for more than six consecutive months without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated; or

- (f) he is requested in writing by all the other directors to resign but so that if he holds an appointment to executive office which thereby automatically determines such removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

94. Subject to the provisions of the Act every director shall retire at the first annual general meeting which shall occur after the date of his seventieth birthday but shall then be eligible for re-election for the period from that annual general meeting until the end of the next following annual general meeting when again he shall retire. Any such director shall be eligible for re-election for a subsequent term or terms, but on each occasion only until the end of the next following annual general meeting after the date of his re-election. A director retiring at any annual general meeting in accordance with the provisions of this article shall not be taken into account in determining the number of directors to retire by rotation at such meeting.

DIRECTORS' APPOINTMENTS AND INTERESTS

95. (1) 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, subject to the provisions of the Act, any such appointment may be made for such term, at such remuneration and on such other conditions as the directors 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.

(2) The directors may grant special remuneration to one or more of their number who, being called upon, shall render any special or extra services to the Company, or go or reside abroad in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such director in addition to or in substitution for his ordinary remuneration (if any) as a director, and may be payable by way of a lump sum, participation in profits or otherwise as the directors shall determine.

(3) A director may hold any other office or place of profit under the directors in conjunction with his office of director on such terms as to remuneration and otherwise as the directors shall arrange. Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director. Provided that nothing herein contained shall authorise a director or his firm to act as auditor or auditors to the Company.

96. (1) Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office-

- (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.

(2) For the purposes of this article-

- (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

97. 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

98. (1) Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.

(2) A director may, and the secretary at the request of a director shall, call a meeting of the directors. Subject to paragraph (3) of this article, it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Any director may waive notice of a meeting and any such waiver may be retrospective.

(3) If a director notifies the Company in writing of an address in the United Kingdom at which notice of meetings of the directors is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address; but the Company shall not be obliged by virtue of this paragraph to give any director a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address.

(4) Questions arising at a meeting shall be decided by a majority of votes. In 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.

99. No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum may be fixed by the directors and unless so fixed at any other number shall be two. An alternate director who is not himself a director shall, if his appointor is not present, be counted in the quorum.

100. 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.

101. The directors may elect from their number, and remove, a chairman and a vice-chairman of the board of directors. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the directors, but if there is no chairman or vice-chairman, or if at the meeting neither the chairman nor the vice-chairman is present within five minutes after the time appointed for the meeting, or if neither of them is willing to act as chairman, the directors present may choose one of their number to be chairman of the meeting.

102. All acts done by a meeting of the directors, or of a committee of the directors, or by a person acting as a director, shall notwithstanding that it may afterwards be 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.

103. A resolution in writing executed by all the directors entitled to receive notice of a meeting of the directors or of a committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors (or, as the case may be of that committee) duly convened and held, and may consist of several documents in the like form each executed by one or more directors, but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity.

104. (1) Save as otherwise provided by these articles, a director shall not vote at a meeting of the directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following sub-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 being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company 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;
- (e) the resolution relates to an arrangement for the benefit of the employees of the Company or any of its subsidiaries, including but without being limited to an employees' share scheme, which does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates;
- (f) the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent or more of the equity share capital of that company (or of any other company through which his interest is derived) and not entitled to exercise one per cent or more of the voting rights available to members of the relevant company.

(2) For the purposes of paragraph (1) of this article, the interest of any person who is for any purpose of the Act (excluding any statutory modification thereof not in force when these articles became binding on the Company) connected with a director shall be taken to be the interest of that 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.

(3) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of 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 by virtue of paragraph (1) of this article, or for any other 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.

105. 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.

106. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of the directors or of a committee of the directors.

107. If a question arises at a meeting of the directors as to the right of a director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be determined by a majority of votes of the remaining directors present at the meeting and in the case of an equality of votes the chairman (unless he be the director materiality of whose interest or the entitlement of whom to vote shall be in issue) shall have a second or casting vote and their ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned has not been fairly disclosed and pending such ruling the relevant interest shall be deemed not to fall within any of the sub-paragraphs of article 104(1).

MINUTES

108. 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 the directors, including the names of the directors present at each such meeting.

SECRETARY

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

ASSOCIATE AND REGIONAL DIRECTORS

110. (1) The directors may from time to time appoint any person to be an associate or regional director of the Company.

(2) The appointment of a person to be an associate or regional director shall not, save as otherwise agreed between him and the Company and the subsidiary (if any) in whose service he may be, affect the terms and conditions of his employment by the Company or by any such subsidiary, whether as regards duties, remuneration, pension or otherwise.

(3) The appointment, removal and the powers, duties and remuneration of an associate or regional director shall be determined by the directors; and the directors shall have the right to enter into any contract on behalf of the Company or transact any business of any description without the knowledge or approval of associate or regional directors, except that no act shall be done that would impose any personal liability on any or all of the associate or regional directors except with his or their knowledge and consent.

(4) An associate or regional director shall not be nor have power to act as a director of the Company nor be entitled to receive notice of or attend or vote at meetings of the directors nor shall he be deemed to be a director for any of the purposes of these articles.

THE SEAL

111. The seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to

which the seal is affixed shall be signed and, if it is to be signed, who shall sign it. Unless otherwise so determined-

- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities, need not be signed and any signature may be affixed to any such certificate by any mechanical means approved by the directors; and
- (b) every other instrument to which the seal is affixed shall be signed by one director and by the secretary or another director; and
- (c) so far as permitted by the Statutes, any instrument signed by one director and the secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the directors or of a committee appointed by the directors.

112. Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad.

DIVIDENDS

113. 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.

114. 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. If 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.

115. Except as otherwise provided by these articles or 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. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, 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. For the purpose of this article an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.

116. 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 (or ignore fractions) 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

117. (1) Any dividend, instalment of dividend or interest or other moneys payable in cash in respect of any share may be paid by cheque or warrant crossed in accordance with the provisions of the Cheques Act 1992 and shall be made payable to the person entitled thereto, or (in the case of joint holders) to that person whose name stands first on the register of members in respect of the joint holding or to all the joint holders. Every such cheque or warrant shall (unless otherwise directed) be sent by post to the last registered address of the person entitled thereto or (in the case of joint holders) that person whose name stands first on the register of members in respect of the joint holding and payment of the cheque or warrant shall be a good discharge to the Company for the same. Every such cheque or warrant shall be sent and every credit transfer made at the risk of the person entitled to the money represented thereby. No unpaid dividend or interest shall bear interest as against the Company. The Company may, if so directed, pay any dividend instalment or dividend or interest or other moneys as aforesaid by credit transfer to a bank account in the United Kingdom nominated by the person entitled to such payment (or in such other way as may be nominated by such person and agreed to by the Company) which transfer shall be a good discharge to the Company for the same. Any joint holder of a share may give receipts for any dividend or other money payable in respect of the share.

(2) The directors may deduct from any dividend or other moneys payable in respect of any shares held by a member either alone or jointly with any other member, all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls or otherwise in respect of shares of the Company.

(3) The Company may cease to send any cheque or warrant through the post for any dividend or other moneys payable in respect of a share which is normally paid in that manner on that share if in respect of at least three consecutive dividends payable on that share the cheques or warrants have been returned undelivered or remained uncashed but, subject to the provisions of these Articles, the Company shall recommence sending cheques or warrants in respect of dividends or other moneys payable on that share if the holder or person entitled by transmission requests such recommencement in writing.

118. 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

119. 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 in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend 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, capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) resolved that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (d) make such provision by the issue of fractional certificates as they may determine in the case of shares or debentures (or by ignoring fractions) or by fractions) or by payment in cash or otherwise becoming distributable in fractions;
- (e) 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 further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (f) generally do all acts and things require to give effect to such resolution as aforesaid.

ELECTION TO RECEIVE SHARES

120. The Board may, with the sanction of an ordinary resolution of the Company, offer the holders of the ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of such dividend or dividends as are specified by such resolution. The following provisions shall apply:-

- (a) The said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which such resolution is passed.
- (b) Unless otherwise provided by the said resolution, the directors shall determine whether the right of election offered to ordinary shareholders shall extend to the whole or to part only of any such dividend.
- (c) The entitlement of each ordinary shareholder to new ordinary shares shall be such that the Relevant Value thereof shall be as nearly as practical equal to

(but not in excess of) the cash amount that such shareholder would, but for such election, have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on The Stock Exchange, London as derived from the Daily Official list for the day when ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days.

- (d) The basis of allotment shall be such that no member may receive a fraction of a share.
- (e) The directors, after determining the basis of allotment, shall notify the holders of ordinary shares in writing of the right of election offered to them, and shall send with, or following, such notification forms of election and specify the procedure to be followed and place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect whereof the said election has been duly made ("the elected ordinary shares") and instead thereof additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the directors shall capitalise out of such of the sum standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the elected ordinary shares on such basis.
- (g) The additional ordinary shares so allotted shall rank for all dividends and distributions declared, made or paid from and after the first of the five dealing days referred to in paragraph (c) above, and shall otherwise be identical in all respects with the ordinary shares in issue on that date, except that they shall not be entitled to any dividend, distribution or other right in respect of which the ordinary shares are quoted "ex" on that day.
- (h) The board may apply such exclusions or other arrangements as they may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders.

RECORD DATES

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

ACCOUNTS

122. No member (other than a director) shall have any right of inspecting any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.

123. A printed copy of the directors' and auditor's reports accompanied by printed copies of the balance sheet and every document required by the Act to be annexed to the balance sheet shall, not less than twenty-one clear days before the annual general meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company, and to the auditors; but this article shall not require a copy of these documents to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as may be required by the regulations of that stock exchange.

NOTICES

124. Any notice to be given to or by any person pursuant to these articles shall be in writing, except that a notice calling a meeting of the directors need not be in writing.

125. 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.

126. A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

127. 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 given to the person from whom he derives his title; but this article does not apply to a notice given under section 212 of the Act.

128. Any notice to be given by the Company to the members or any of them, and not provided for by or pursuant to these articles, shall be sufficiently given if given by advertisement inserted once in at least one leading national daily newspaper published in the United Kingdom.

129. Where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notice sent by post, notice of the meeting shall be sufficiently given if given by advertisement in two leading national daily newspapers published in the United Kingdom. The Company shall send a copy of the notice to members by post if at least seven clear days before the meeting

the posting of notices to addresses throughout the United Kingdom again becomes practicable.

130. A notice sent by post shall be deemed to have been given on the day following that on which the envelope containing the notice was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. A notice given by advertisement shall be deemed to have been served on the day on which the advertisement appears.

131. A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it in any manner authorised by these articles for the giving of notice to a member addressed to that person by name, or by the title of representative 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 person 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

132. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution 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 may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

SCHEME OF ARRANGEMENT

133 (1) For the purpose of this Article 133, references to the "Scheme" are to the Scheme of Arrangement between the Company and the Shareholders (each as defined in the Scheme) dated 3 December 1999 under section 425 of the Companies Act 1985 and terms defined in the Scheme and (if not so defined) in the circular containing the Explanatory Statement (as defined) circulated with the Scheme pursuant to section 426 of the Companies Act 1985 shall have the same meanings when used in this Article.

(2) If the Company issues any ordinary shares of 25p each on or after the Voting Record Time and prior to the close of business on the last business day before the Hearing Date such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of such shares shall be bound by the Scheme accordingly.

(3) If any ordinary shares of 25p each of the Company are allotted or issued to any person (a "new member") (other than to New De La Rue or any subsidiary undertaking of New De La Rue or anyone acting on behalf of New De La Rue or any subsidiary undertaking of New De La Rue) on or after the Hearing Date they shall, provided that the Scheme has become effective and from that time, be immediately transferred to New De La Rue in consideration of and conditional on the allotment and issue by New De La Rue to the new member of New Shares on the basis of one New Share for every ordinary share of 25p held in the capital of the Company.

(4) The number of New Shares to be issued to the new member under this Article 133 may be adjusted by the De La Rue Directors in such manner as the Company's auditors may determine, on any reorganisation of the share capital of the Company or of New De La Rue.

(5) In order to give effect to any such transfer required by this Article 133, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of New De La Rue and/or its nominees and to agree for and on behalf of the new member to become a member of New De La Rue. Pending the registration of New De La Rue as a holder of any share to be transferred pursuant to this Article 133, New De La Rue shall be empowered to appoint a person nominated by the De La Rue Directors to act as attorney on behalf of any holder of such share in accordance with such directions as New De La Rue may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holders of such share shall exercise all rights attaching thereto or in accordance with the directions of New De La Rue but not otherwise.

INDEMNITY

134. (1) Subject to the provisions of the Act, the Company may purchase and maintain for any director, officer or auditor insurance against any liability, loss or expense.

(2) 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, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or auditor of the Company and in which judgement is given in his favour or in which he is acquitted or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company.