

Registered No. 1024618

THE COMPANIES ACTS
COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
OF
PIC HOLDINGS LIMITED
(Adopted by Special Resolution on 4th July, 1994)

Clause 3

- (a) The authorised share capital of the Company at the date of the adoption of this Article is £107,750,000 divided into 7,750,000 Non-Cumulative Redeemable Preference Shares of £1 each (designated Preference Shares) and 100,000,000 Ordinary Shares of £1 each.

- (b) The respective rights attached to the Preference Shares and the Ordinary Shares are as follows:-

- (i) As regards income:

Subject to the provisions of the Companies Act 1985, the Directors may declare and pay a dividend on any or all classes of shares in the capital of the Company when and as Directors deem appropriate. The Directors may, in their absolute discretion, declare and pay a dividend on the Preference Shares in preference to the declaration and payment of dividends on any other class of shares in the capital of the Company and the declaration and payment of a dividend on the Preference Shares shall not entitle the holders of any other class of shares in the capital of the Company to receive any dividend on such other class of shares.

- (ii) As regards capital:

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repaying to the holders of the Preference Shares the amount paid up on such Shares. Any balance of such assets shall



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A14 RECEIPT DATE:08/07/94

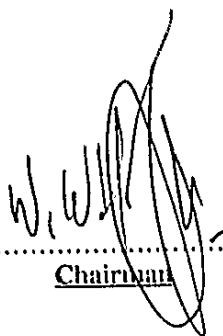
belong to and be distributed amongst the holders of the Ordinary Shares in proportion to the amounts paid up thereon.

- (c) The holders of Preference Shares have the right to receive notice of and to attend at any general meeting of the Company but shall only be entitled to vote at a general meeting if at the date of the notice convening the meeting the business of the meeting includes the consideration of a resolution for winding up the Company or varying its capital or sanctioning the sale of the whole or a major part of its undertaking or any resolution altering or abrogating any of the special rights or privileges attached to any of the Preference Shares, in which case they shall only be entitled to vote on any such resolution and upon any amendment thereof.
- (d) The Company shall be entitled to issue from time to time and at any time further shares ranking *pari passu* with but not in priority to the Preference Shares carrying the right in a winding up or on a reduction of capital involving repayment.
- (e) Except with the consent or sanction of the holders of the Preference Shares and any such further shares no such shares shall be issued ranking as to dividend or capital in priority thereto.
- (f) The Preference Shares shall subject to the provisions of Chapter VII of Part V of the Act be redeemed upon and subject to the following terms and conditions:-
 - (i) The Company shall, subject to receiving the prior written consent of the Bank of England thereto, have the right at any time to redeem any number of or all such shares.
 - (ii) If the Company wishes to exercise its rights to redeem any of the Preference Shares then the Company shall give not less than one month's notice in writing ("the Redemption Notice") of its intention to redeem to the holder of the Preference Shares to be redeemed.
 - (iii) Redemption of any of the Preference Shares shall take place at the Company's registered office, on the date and at the time fixed in the Redemption Notice (such time in either case being referred to in this Article as "the Time for Redemption").
 - (iv) At the Time for Redemption the registered holder of the Preference Shares to be redeemed shall be bound to deliver up to the Company at its registered office the relative certificates for cancellation, and on redemption the Company shall pay to it the redemption money in respect of such Preference Shares together with any accruals of the cumulative

preferential dividend for the current accounting period (for which purpose accounting periods run from 1st January to 31st December in each year) (whether carried or declared or not) calculated down to the date fixed for payment.

- (v) If at the Time for Redemption any holder of Preference Shares shall fail or refuse to surrender the certificate or certificates for such Preference Shares or fail or refuse to accept the redemption money payable in respect of them such money shall be retained and held by the Company in trust for such holder but without interest or further obligation whatever.
 - (vi) No Preference Shares shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of shares made for the purposes of the redemption unless the provisions of Chapter VII of Part V of the Act relating to the redemption of shares by private companies out of capital are satisfied in respect of the Company which shall be permissible.
 - (vii) No Preference Shares redeemed by the Company shall be capable of reissue and on redemption of any Preference Shares the Company may by members resolution convert the authorised share capital in the Company created as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Preference Shares.
- (g) The Preference Shares may be converted into Ordinary Shares upon and subject to the following terms and conditions:
- (i) Each of the holders of the Preference Shares shall be entitled at any time and from time to time to convert any of the Preference Shares held by him into the same number of Ordinary Shares (such rights being referred to in this Article as "the Conversion Rights").
 - (ii) The Conversion Rights shall be exercised by notice in writing to the Company signed by the relevant holder of Preference Shares and delivered, together with the share certificate in respect of his holding of Preference Shares, to the Company's registered office and shall take effect immediately upon such delivery and as soon as is practicable thereafter the Company shall issue to such holder a certificate for the Ordinary Shares resulting from the exercise of the Conversion Rights and, if appropriate, a certificate for any Preference Shares retained by such holder.

- (iii) The Ordinary Shares resulting from the exercise of the Conversion rights shall as from the date of conversion rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.


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Chairman