

THE COMPANIES ACTS 1948 to 1981

COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION
of

TRANS WORLD COMMUNICATIONS PLC

(adopted by Special Resolution passed 29th March 1983
and amended by Special Resolution passed 8th June 1990)

PRELIMINARY

1. The regulations contained in Table A in Schedule 1 to the Companies Act 1948 as amended shall not apply to the Company.

2. In these Articles, if not inconsistent with the subject or context, the following words shall bear the following meanings:

WORDS

MEANINGS

the Statutes

the Company Acts 1948 to 1981 and every statutory modification or re-enactment thereof for the time being in force.

the Group

the Company and any subsidiary or subsidiaries for the time being of the Company.

the office

the registered office for the time being of the Company.

these Articles

these Articles of Association as originally framed or as from time to time altered.

the Seal

the common seal of the Company.

in writing

written, printed, or lithographed, or visibly expressed by any substitute for writing or partly by one of such means and partly by another or others.

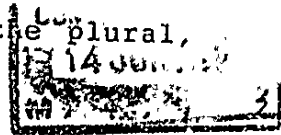
paid up

paid up and/or credited as paid up.

the United Kingdom

Great Britain and Northern Ireland.

Words importing the singular number shall include the plural, and vice versa.



Words importing the masculine gender shall include the feminine, and persons shall include corporations mutatis mutandis.

Save as aforesaid any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

The expression "secretary" shall (subject to the provisions of the Statutes) include an assistant or deputy secretary, and any person appointed by the directors to perform any of the duties of the secretary.

The headings are inserted for convenience and shall not affect the construction of these Articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The share capital of the Company is £250,000 divided into 2,500,000 ordinary shares of 10p each.

4. (1) Subject to the provisions of the Statutes and without prejudice to any rights for the time being conferred on the holders of any shares or class of shares, any share in the Company may be issued with such preferred, deferred or other rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine.

(2) Subject to the provisions of the Statutes, any preference shares may be issued on the terms that they are, or at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

5. Subject to the provisions of the Statutes, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision, with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of the class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat and the provisions of Section 133, 134 and 140 of the Companies Act 1948 shall, mutatis mutandis, and with any necessary modifications apply except that the necessary quorum shall be two or more persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at an adjourned meeting of such holders one person holding shares of the class in question present in person or by proxy shall be a quorum), and except that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively and any

holder of shares of the class in question present in person or by proxy may demand a poll.

6. Unless otherwise expressly provided by these Articles or by the rights conferred upon the holders of any class of shares those rights shall be deemed to be varied by the reduction of the capital paid up on such shares and by the creation of further shares ranking in any respects in priority thereto but shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

7. Subject to the provisions of the Statutes, the unissued shares in the capital of the Company shall be under the control of the directors who are hereby generally and unconditionally authorised for the purposes of Section 14 of the Companies Act 1980 to allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined in Section 14(10) of the Companies Act 1980) to such persons at such times and generally on such terms and conditions as they think fit, but so that no shares shall be issued at a discount except in accordance with the provisions of the Statutes.

PROVIDED THAT the authority contained in this Article shall unless varied, revoked or renewed in accordance with Section 14 of the Companies Act 1980:-

- (i) be limited to a maximum nominal amount of shares equal to the amount of the unissued share capital of the Company at the date of adoption of these Articles; and
- (ii) expire on the fifth anniversary of the date of the Resolution adopting these Articles but without prejudice to any offer or agreement made by the Company before that anniversary which would or might require relevant securities to be allotted or otherwise dealt with by the directors or the Company under such authority, after that anniversary has expired.

8. The directors are hereby generally authorised to allot for cash or otherwise equity securities (as defined in Section 17(11) of the Companies Act 1980) of the Company pursuant to these Articles of Association as if Section 17(1) of the Companies Act 1980 did not apply to such allotment:-

- (a) where the allotment is limited to an amount not exceeding five per cent. of the authorised share capital of the Company at the date of adoption of these Articles; or
- (b) in connection with a 'rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be practicable having regard to the interests of the Company as a whole) to the respective numbers of shares held by them on the record date for such allotment;

PROVIDED THAT the authority contained in this Article shall unless revoked or renewed in accordance with Section 18(3) of the Companies Act 1980 expire on the conclusion of the Annual General Meeting of the Company (or any adjournment thereof) next following the date of the resolution adopting these Articles save that the directors shall be entitled to make at any time before the expiry of the power hereby conferred any offer or agreement which would or might require equity securities to be allotted after the expiry of such power.

9. Save as hereinbefore provided and subject to the provisions of the Statutes the unissued shares in the capital of the Company shall be under the control of the directors who may allot, grant options over or otherwise deal with or dispose of the same to such persons at such times and generally on such terms and conditions as they think fit.

10. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, and subject to the provisions of the Statutes any such commissions may be satisfied by the payment of cash or (with the sanction of an Ordinary Resolution) by the allotment of fully or partly paid Shares of the Company or partly in the one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles otherwise provided or as by law required) the Company shall not be bound by or recognise any equitable, contingent, future or partial interest, in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

11B. With the prior approval of an Ordinary Resolution of the Company passed at any General Meeting, the Company may, subject to the provisions of the Companies Act 1985, purchase its own shares (including any redeemable shares).

CERTIFICATES

12. (1) Every person (other than a Stock Exchange Nominee in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) whose name is entered as a member in the register of members shall be entitled without payment to one certificate for all the shares of each class for the time being held by him, or upon payment of such reasonable out-of-pocket expenses as the directors may from time to time determine for every certificate after the first, to several certificates, each for one or more of his shares. Every certificate shall be issued within two months after allotment or the lodgment with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares

otherwise provide, and shall be under the seal or under the official seal kept by the Company by virtue of Section 2 of the Stock Exchange (Completion of Bargains) Act 1976 and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon. The Company shall not be bound to register more than four persons as the joint holders of any share or shares (except in the case of executors or trustees of a deceased member), and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. Where a member transfers part of his holding of shares he shall be entitled to a certificate for the balance of his holding without charge.

(2) Share certificates and, subject to the provisions of any instrument constituting or securing the same, certificates issued under the seal or under the official seal kept by the Company by virtue of Section 2 of the Stock Exchange (Completion of Bargains) Act 1976 in respect of any debentures, need not be signed or counter-signed, or the signatures may be affixed thereto by such mechanical means as may be determined by the directors.

13. If a share certificate is lost, destroyed, defaced or worn out, it may be renewed without charge, and (in case of loss or destruction) on such terms (if any) as to evidence and indemnity as the directors think fit, and (in case of defacement or wearing out) on delivery up of the old Certificates.

LIEN

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

15. The Company may sell, in such manner as the directors think fit, any share on which the Company has a lien but no sale shall be made unless some moneys in respect of which the lien exists are presently payable and fourteen days have expired after a notice in writing, stating and demanding payment of the moneys presently payable and giving notice of intention to sell in default, has been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares.

16. For giving effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof.

17. The purchaser shall be registered as the holder of the shares so transferred and he 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 or invalidity in the proceedings in reference to the sale.

18. The net proceeds of any such sale shall be applied in or towards payment or satisfaction of the amount in respect of which the lien exists as is presently payable and any residue shall (subject to a like lien in respect of sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares immediately prior to the date of the sale.

CALLS ON SHARES

19. The directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each member shall (subject to being given at least thirty days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.

20. A call may be made payable by instalments. A call may be postponed and a call may be wholly or in part revoked as the directors may determine. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the directors may agree to accept, but the directors shall be at liberty to waive payment of such interest wholly or in part.

22. Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

24. The directors may receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the

liability upon the shares in respect of which it is advanced, and the Company may pay interest upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the member paying such sum and the directors agree.

FOREFEITURE OF SHARES

25. If a member fails to pay any call or instalment of a call before or on the day appointed for payment thereof, the directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

26. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the day and at the place appointed the shares on which the call was made will be liable to be forfeited.

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the directors to that effect, and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture.

28. Subject to the provisions of the Statutes, a forfeited share may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the directors think fit, and at any time before a sale, re-allotment or disposal the forfeiture may be cancelled on such terms as the directors think fit. The directors may authorise some person to transfer a forfeited share to any other person as aforesaid.

29. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares and interest thereon in accordance with Article 21, and the directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

30. A statutory declaration that the declarant is a director or the secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate

for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be so required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and 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 or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

31. All transfers of shares shall be effected by transfer in writing in the usual common form or in any other form approved by the directors, and need not be under seal.
32. The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid share, by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
33. The directors may, in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of any shares (not being fully paid shares) and they may also refuse to register any transfer of shares on which the Company has a lien.
34. The directors may decline to recognise any instrument of transfer, unless it is:-
- (a) duly stamped, is deposited at the office or such other place as the directors may appoint, and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
 - (b) in respect of only one class of share; and
 - (c) in favour of not more than four transferees except in the case of executors or trustees of a deceased member.
35. The registration of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may from time to time determine.
36. The Company shall not be entitled to charge any fee in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other document relating to or affecting the title to any shares.
37. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the directors refuse to register shall (except in any case of fraud) be returned to the person depositing the same.

38. 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.

39. The Company shall be entitled to destroy all instruments of transfer of shares and all other documents on the faith of which entries are made in the Register of Members at any time after the expiration of six years from the date on which such entry was made and all dividend mandates and notifications of change of name or address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided always that:-

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled;
- (iii) Reference herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

40. In the case of the death of a member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this article shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

41. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the directors, and subject as hereinafter provided, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the holder thereof.

42. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall

testify his election by signing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member and not occurred and the notice or transfer were a transfer signed by such member.

43. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a member until he shall have become a member in respect of the share.

DISCLOSURE OF INTERESTS

44. (1) Sections 73 (with the exception of subsection (10)), 74 and 75 of the Companies Act 1981 shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each member.

(2) Notwithstanding the remedies available to the Company under the provisions of the Statutes if the registered holder or any other person appearing to be interested in shares of the Company ("the defaulter") fails within 42 days to comply with any notice issued by the directors pursuant to their powers under Section 74 of the Companies Act 1981 or in purported compliance in the opinion of the directors makes a statement which he knows to be false or recklessly makes any statement which is false (unless in either case he proves to the satisfaction of the directors that the information in question was already in the possession of the Company or that the requirement to give it was for any other reason frivolous or vexatious), the directors may in their absolute discretion serve upon the defaulter a notice (in this Article called a "disenfranchisement notice") stating or to the effect that the rights as to attendance and voting at general meetings of members and of every class thereof conferred on the holder of every share in the Company in which the defaulter is or is considered by the directors to be interested shall be suspended and that the defaulter shall not exercise such rights. For the purpose of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 74 which fails to establish the identities of those interested in the shares and it (after taking into account the said notification and any other relevant Section 74 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

(3) The period during which the rights as to attendance and voting at meetings of members and of every class thereof shall be suspended shall commence on the date of service of the disenfranchisement notice and shall continue until the defaulter properly fulfils the obligation or complies

with the notice to which he is subject as aforesaid. A disenfranchisement notice shall automatically cease to have effect in respect of any share transferred upon the date upon which the registration of the transfer in respect thereof shall take place.

(4) The directors shall cause the register kept by virtue of the incorporation of Section 73 of the Companies Act 1981 into these Articles to have noted against the name of the defaulter the fact that the rights as to attendance and voting at meetings of members and of every class thereof conferred on the holder of every share in the Company in which the defaulter is or is considered by the directors to be interested have been suspended for so long as such suspension shall continue and shall cause such writing to be deleted upon the defaulter complying with the notice to which he is subject as aforesaid.

STOCK

45. 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.

46. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, 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 from time to time, if they think fit, fix the minimum amount of stock transferable, but so that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.

47. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose provided that no such privilege or advantage (except participation in dividends and profits of the company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

48. All the provisions of these Articles applicable to paid up shares shall apply to stock, and in all such provisions the words "share" and "member" shall include "stock" and "stockholder" respectively.

INCREASE OF CAPITAL

49. The Company may from time to time by Ordinary Resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution may prescribe.

50. All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.

ALTERATION OF CAPITAL

51. The Company may from time to time by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; and
- (c) cancel any 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;

AND may by any resolution reduce its share capital and any capital redemption reserve fund and any share premium account in any manner authorised by the Statutes and diminish the amount of its share capital by the amount of the shares so cancelled.

52. Whenever as a result of any consolidation of shares any members would become entitled to fractions of a share, the directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of shares, and for the purpose of any such sale the directors may authorise some person to transfer the shares representing the fractions to the purchaser thereof, whose name shall thereupon be entered in the register of members as the holder of the shares, and who 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 or invalidity in the proceedings in reference to the sale.

GENERAL MEETINGS

53. Subject to the provisions of the Statutes, the Annual General Meeting shall be held at such time and place as the directors may determine.

54. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The directors may call an Extraordinary General Meeting whenever they think fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes.

NOTICE OF GENERAL MEETINGS

55. Subject to the provisions of the Statutes, an Annual General Meeting and an Extraordinary General Meeting for the passing of a Special Resolution shall be called by twenty one days' notice at the least, and all other Extraordinary General Meetings shall be called by fourteen days' notice at the least. The notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given. Every notice shall be in writing and shall specify the place, the day and the time of meeting, and (in the case of special business) the general nature of such business, and in the case of an Annual General Meeting shall specify the meeting as such. Notices shall be given in manner hereinafter mentioned to all the members, other than those who under the provisions of these Articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors for the time being of the Company.

56. 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

57. All business shall be deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring dividends, the consideration of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the balance sheet, the appointment of directors in the place of those retiring by rotation or otherwise and the reappointment of the retiring auditors (other than retiring auditors who have been appointed by the directors to fill a casual vacancy) and the fixing of the remuneration of the auditors.

58. No business shall be transacted at any general meeting unless a quorum is present. Save as in these Articles otherwise provided, two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member (duly appointed as such in accordance with the Statutes) shall be a quorum for all purposes.

59. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

60. The chairman (if any) of the board of directors, or in his absence some other director nominated by the chairman in

writing, shall preside as chairman at every general meeting of the Company, but if at any meeting neither the chairman nor such other director is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the directors present shall choose some director present to be chairman, or if no director is present, or if all the directors present decline to take the chair, the members present shall choose some member present to be chairman.

61. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, seven clear days' notice at the least, specifying the place, the day and the time of the adjourned meeting shall be given, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment.

62. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded:-

- (a) by the chairman; or
- (b) by not less than two members having the right to vote at the meeting; or
- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares of the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

63. Unless a poll is so 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 book containing the minutes of the proceedings of general meetings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

64. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority (a) to demand or join in demanding a poll (and for the purposes of Article 62 a demand by a person as proxy for a member shall be the same as a demand by the member); and (b) to vote on a poll on the election of a chairman and on a motion to adjourn a meeting.

65. If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.

66. If a poll is duly demanded, it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers or tickets), and the result of a poll such be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may, in the event of a poll, appoint scrutineers (who need not be members), and may fix some place and time for the purpose of declaring the result of the poll.

67. 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 forthwith or at such time and place as the chairman directs not being more than thirty days from the date of the meeting or the adjourned meeting at which the poll was demanded.

68. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote.

69. 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 has been demanded.

70. A demand for a poll may be withdrawn and no notice need be given of a poll not taken immediately.

VOTES OF MEMBERS

71. Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative or proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

72. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share.

73. A member of unsound mind in respect of whom an order has been made by any competent court may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person appointed by such court (who may on a poll vote by proxy) provided that such evidence as the directors may require of the authority of the person claiming to vote shall

have been deposited at the office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

74. No member shall, unless the directors otherwise determine, be entitled in respect of any shares held by him to vote at any general meeting either in person or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of those shares have been paid.

75. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

76. On a poll votes may be given either in person or by proxy; and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

77. Any person (whether a member or not) may be appointed to act as a proxy. A member may appoint more than one proxy to attend on the same occasion.

78. The instrument appointing a proxy shall be in writing in any usual or common form, or such other form as may be approved by the directors, and shall be signed by the appointor or by his agent duly authorised in writing, or if the appointor is a corporation shall be either under its common seal or under the hand of an officer or agent so authorised.

79. The instrument appointing a proxy and the authority (if any) under which it is signed, or a certified copy of such authority, shall be deposited at the office, or at such other place in the United Kingdom as is specified for that purpose in the notice calling 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 appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

80. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no intimation in writing of such death, insanity or revocation has been received by the Company at the office three hours at least

before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

81. The directors may at the expense of the Company send, by post or otherwise, to the members instruments of proxy (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 of the Company either in blank or nominating in the alternative any one or more of the directors or any other persons. 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 thereat by proxy.

CORPORATIONS ACTING BY REPRESENTATIVES

82. 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 of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such 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 thereat.

DIRECTORS

83. Unless and until otherwise determined by the Company by Ordinary Resolution, the number of directors shall not be less than two nor more than ten.

84. A director shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the Company.

85. The directors shall be entitled to remuneration at the rate of £500 per annum each, or at such other rate as the Company by Ordinary Resolution may from time to time determine. The Company by Ordinary Resolution may also vote extra remuneration to the directors, which shall (unless otherwise determined by the resolution by which it is voted) be divided between the directors as they may agree, or, failing agreement, equally. The directors' remuneration shall be deemed to accrue from day to day. The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the directors or of committees of the directors or general meetings.

86. Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary,

participation in profits or otherwise as the directors may determine. Any such remuneration shall be inclusive of any directors' fees payable to any director.

87. Any director may at any time appoint any person approved by the directors to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to such approval as aforesaid, appoint another person in his place.

An alternate director so appointed shall not be required to hold any share qualification. Subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him an alternate director shall be entitled to receive notices of all 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 to perform all the functions of his appointor as a director in the absence of such appointor. An alternate director shall ipso facto cease to be an alternate director on the happening of an event which if he were a director would cause him to vacate such office or if his appointor ceases for any reason to be a director provided that if any director retires whether by rotation or otherwise but is reappointed, or is deemed to have been reappointed 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 reappointment as if he had not so retired. All appointments and removals of alternate directors shall be effected by notice in writing under the hand of the director making or revoking such appointment sent to or left at the office.

88. An alternate director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the director appointing him. The remuneration of any such alternate director shall be payable out of the remuneration payable to the director appointing him, and shall consist of such part (if any) of the last-mentioned remuneration as shall be agreed between the alternate director and the director appointing him.

89. A director, including an alternate director, may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director, and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the directors may determine.

90. No director or intending director, including an alternate director, shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way, whether directly or indirectly, interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to

account to the Company for any profit realised by any such contract or arrangement, by reason of such director holding that office or of the fiduciary relation thereby established.

91. Any director, including an alternate director, may continue to be or become a director or other officer or member of or otherwise interested in any other company promoted by the Company or in which the Company may be interested, as a member or otherwise, or which is a holding company of the Company or a subsidiary of any such holding company and no such director shall be accountable for any remuneration or other benefits received by him as a director or other office or member of, or from his interest in, any such other company. The directors may exercise the voting power conferred by the shares of any other company held or owned by the Company or exercisable by them as directors of any such holding company or subsidiary in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers of such company, or voting or providing for the payment of remuneration to the directors or other offices of such company).

92. A director, including an alternate director, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of directors. In the case of a proposed contract the declaration shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration, or, if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of directors held after he became so interested. In a case where the director becomes interested in a contract after it is made the declaration shall be made at the first meeting of the directors held after the director becomes so interested. In a case where the director is interested in a contract which has been made before he was appointed a director the declaration shall be made at the first meeting of the directors held after he is so appointed.

93. For the purposes of the last preceding Article a general notice given to the directors by any director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with such company or firm shall (if such director shall give the same at a meeting of the directors or shall take reasonable steps to secure that it is brought up and read at the next meeting of the directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

APPOINTMENT, ROTATION, REMOVAL AND DISQUALIFICATION OF DIRECTORS

94. Subject to the provisions of these Articles, 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 but not exceeding one-third, shall retire from office at the Annual General Meeting in every year: provided that if in any year the number of directors who are subject to

retirement by rotation shall be two, one of such directors shall retire, and if in any year there shall be only one director who is subject to retirement by rotation, that director shall retire. A director retiring at a meeting as aforesaid shall retain office until the dissolution of that meeting.

95. Subject to the provisions of the Statutes and of these Articles, the directors to retire in every year 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. Subject as aforesaid, a retiring director shall be eligible for reappointment.

96. The Company at the meeting at which a director retires in manner aforesaid may fill the vacated office, and in default the retiring director, if willing to act, shall be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the appointment of such director is put to the meeting and lost.

97. No person other than a director retiring at the meeting shall, unless recommended by the directors for appointment, be eligible for appointment to the office of a director at any general meeting unless, not less than six nor more than fourteen clear days before the day appointed for the meeting, there is given to the Company notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

98. 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.

99. The Company may from time to time by Ordinary Resolution increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to go out of office, and without prejudice to the provisions of the next following Article may by Ordinary Resolution appoint any person to be a director, either to fill a casual vacancy or as an additional director.

100. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an additional director, but so that the total number of directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Subject to the provisions of the Statutes and of these Articles, any director so appointed shall hold office only until the conclusion of the next following Annual General Meeting, and shall be eligible for reappointment at that

meeting. Any director who retires under this article shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

101. Without prejudice to the provisions of the Statutes, the Company may, by Extraordinary Resolution, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim such director may have for breach of any contract of service between him and the Company) and may, by Ordinary Resolution, appoint another person in his stead. The 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.

102. Any contract of employment entered into by a director with the company shall not include a term that it is to be for a period exceeding five years unless such term is first approved by Ordinary Resolution of the Company.

103. (1) The office of a director shall be vacated in any of the following events:-

(a) if (not being a director who has agreed to serve as a director for a fixed term) he resigns his office by notice in writing under his hand sent to or left at the office; or

(b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(c) if in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or

(d) if he is absent from meetings of the directors for six successive months without leave, and his alternate director (if any) shall not during such period have attended in his stead, and the directors resolve that his office be vacated; or

(e) if he ceases to be a director by virtue of any provision of the Statutes; or

(f) if becomes prohibited by law from being a director.

(2) No director shall vacate or be required to vacate his office as a director on or by reason of his attaining or having attained the age of seventy or any other age and any director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a director shall be capable of being re-appointed or appointed, as the case may be, as a director notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy, and no special notice need be given of any

resolution for the re-appointment or appointment or approving the appointment as a director of a person who shall have attained the age of seventy nor shall it be necessary to give to the members notice of the age of any director or person proposed to be re-appointed or appointed as such.

EXECUTIVE DIRECTORS

104. The directors may from time to time appoint any one or more of their body to be the holder of any executive office on such terms as they think fit, and may revoke or vary any such appointment. The appointment of a director to any executive office as aforesaid shall automatically be terminated if he ceases for any reason to be a director. Any revocation or termination of any such appointment shall be without prejudice to any claim for breach of any contract between the director and the Company. A director so appointed shall not be subject to a retirement by rotation and shall not be taken into account in determining the rotation of retirement of directors, and shall receive such remuneration (whether by way of salary, commission, participation in profits and partly in one way and partly in another or others, or otherwise) as the directors may determine.

105. The directors may entrust to and confer upon any director appointed to any such executive office any of the powers exercisable by them as directors, other than the power to make calls or forfeit shares, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

DIVISIONAL DIRECTORS

106. (1) The directors may from time to time appoint any manager or other officer or person in the employment of the Company or of any subsidiary within the Group or any director of any such subsidiary or any member of the Company or of any such subsidiary to be a divisional director of the Company.

(2) Unless and until otherwise determined by the Company in general meeting the number of divisional directors for the time being shall not exceed ten.

(3) A divisional director appointed under this Article shall not be required to hold any shares in the Company to qualify him for such office.

(4) Save as otherwise agreed between him and the Company, the appointment of a person to be a divisional director shall not affect the terms and conditions of his employment by the Company or by any subsidiary within the Group, whether as regards duties, remuneration, pension or otherwise, and his office as a divisional director shall be vacated if he becomes of unsound mind or bankrupt, or if he becomes prohibited by law from being a director, or if he ceases to be a director of any such subsidiary by virtue of any provision of the Statutes, or in the event of his ceasing to be

in the employment of the Company or of any such subsidiary, or if he resigns his office or is removed from the office of a divisional director by a resolution of the directors.

(5) The appointment, continuance in office, removal, powers, duties and remuneration of the divisional directors or of any of them shall be determined by the directors, who shall have full powers to make such arrangements as they may think fit.

(6) The divisional directors shall not be entitled to receive notices of or to attend or vote at meetings of the directors and shall not, except with, and to the extent of, the sanction of the directors:

(i) have any right of access to the books or accounts of the Company;

(ii) be entitled to participate in any other respect in the exercise of the collective powers or duties of the directors or to exercise any of the powers or rights of a director individually under these Articles.

(7) The directors shall have the right to enter into any contracts on behalf of the Company or to transact any business of any description without the knowledge or approval of the divisional directors.

(8) No act shall be done by the directors which would impose any personal liability on any or all of the divisional directors, whether under the Statutes or otherwise, except with their knowledge and consent.

(9) The appointment of a divisional director shall not constitute him as a director for the purposes of these Articles or within the meaning of the expression "director" as defined in the Statutes, and a divisional director may be given such job title or description by the Company as the directors may feel appropriate.

POWERS AND DUTIES OF DIRECTORS

107. The business of the Company shall be managed by the directors who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these Articles and of the Statutes, and to such directions, whether or not inconsistent with these Articles, as may be prescribed by the Company by Special Resolution but no such direction and no alteration of these Articles shall invalidate any prior act of the directors which would have been valid if such direction or alteration had not been given or made. The matters to which the directors shall have regard in the performance of their functions shall include the interests of the Company's employees in general as well as the interests of its members. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the directors by any other Article.

108. The directors may establish any councils, committees, local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any person to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any council, committee, local board, manager or agent any of the powers, authorities and discretions vested in the directors, with power to sub-delegate, and may authorise the members of the local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the directors may think fit, and the directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

109. The directors may from time to time, and at any time, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the director may think fit, and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

110. The directors may cause to be kept in any part of Her Majesty's Dominions outside the United Kingdom, the Channel Islands or the Isle of Man in which the Company transacts business a branch register or registers of members resident in such part of the said Dominions, and the directors may (subject to the provisions of these Statutes) make and vary such regulations as they may think fit respecting the keeping of any such register.

111. The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary or of any of the predecessors in business of the Company or any such other company as aforesaid, and who hold or who have held executive positions or agreements for service with the Company or any such other company as aforesaid or who may be or have been directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, association societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such person as aforesaid, and make payments for or towards the insurance of any such person

as aforesaid and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by the Company by Ordinary Resolution, if the Statutes shall so require, any director who holds or has held any such executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

BORROWING POWERS

112. (1) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to the provisions of the Statutes 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 subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that, save with the previous sanction of an Ordinary Resolution, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group) then exceeds or would as a result of such borrowing exceed an amount equal to three times the aggregate of:-

(a) the nominal amount paid up on the share capital of the Company; and

(b) the total of the capital and realised revenue reserves of the Group (including any share premium account, capital redemption reserve fund and credit balance on the combined profit and loss account) but excluding any goodwill write off reserve and any sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries of the Company and deducting any debit balance on the combined profit and loss account,

all as shown in the then latest audited consolidated balance sheet of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of its latest audited balance sheet.

(3) For the purposes of this Article:-

(a) the amount outstanding in respect of acceptances by any member of the Group or by any bank or acceptance house under any acceptance credit opened on behalf

of any member of the Group (not being acceptances in relation to the purchase of goods in the ordinary course of business) shall be taken into account as moneys borrowed;

(b) moneys borrowed for the purpose of repaying the whole or any part of any moneys previously borrowed and then outstanding (including any premium payable on final repayment thereof) and applied for that purpose within four months of such borrowing shall not, pending such application, be taken into account as moneys borrowed; and

(c) the principal amount (including any premium payable on final repayment) of any debentures issued in whole or in part for a consideration other than cash shall be taken into account as moneys borrowed by the member of the Group issuing the same.

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

113. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be.

114. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors may from time to time by resolution determine.

PROCEEDINGS OF DIRECTORS

115. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined 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 the director whom he is representing, to a separate vote on behalf of such director in addition to his own vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. It shall not be necessary to give notice of a

meeting of directors to any director for the time being absent from the United Kingdom.

116. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed at any other number shall be two. For the purposes of this article an alternate directors shall be counted in a quorum, but so that not less than two individuals shall constitute a quorum.

117. Save as herein provided, a director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares of debentures or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

118. (1) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

(a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

(e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.

(2) Where proposals are under consideration concerning the appointment (including fixing or varying the

terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso to paragraph (1)(d) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(3) If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting such question shall be referred to the chairman of the meeting and his 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 directors concerned have not been fairly disclosed.

(4) The Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

119. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their body, but if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles, or below the number fixed by or pursuant to these Articles as the quorum of directors, the continuing directors or director may act for the purpose of filling any vacancies in their body or of summoning general meetings of the Company, but not for any other purpose. If there are no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

120. The directors may from time to time elect from their number, and remove, a chairman and determine the period for which he is to hold office. The chairman, or in his absence some other director nominated by him in writing, shall preside at all meetings of the directors, but if no such chairman be elected, or if at any meeting neither the chairman nor such other director be present within five minutes after the time appointed for holding the same or if neither of them be willing to act as chairman, the directors present may choose one of their number to be chairman of the meeting.

121. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of directors, shall be as effective as a resolution passed at a meeting of the directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the directors.

122. A meeting of the directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the directors.

123. The directors may delegate any of their powers to committees consisting of such members or member of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

124. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors, so far as the same are applicable and are not superseded by any regulations made by the directors under the last preceding Article.

125. All acts done bona fide by any meeting of directors, or of a committee of directors, or by any person acting as director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director, or person acting as aforesaid, or that they or any of them were disqualified, 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.

MINUTES

126. The directors shall cause minutes to be made

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of directors and of any committee of directors;
- (c) of all resolutions and proceedings at all meetings of the Company and of the directors and of committees of directors.

Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

SECRETARY

127. The secretary shall be qualified in accordance with the provisions of the Statutes and shall be appointed and may be removed by the directors.

128. Anything by the Statutes required or authorised to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary, capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the directors: provided that any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a director and secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in the place of the secretary.

SEAL

129. Directors shall provide for the safe custody of the seal and the seal shall never be used except by the authority of a resolution of the directors or of a committee of the directors authorised in that behalf by the directors. The directors may from time to time make such regulations as they think fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the seal is affixed and until otherwise so determined every such instrument to which the seal is affixed, and until otherwise so determined every such instrument shall be signed by one director and shall be countersigned by a second director or by the secretary.

130. The Company may have official seals under the provisions of section 35 of the Companies Act 1948 and Section 2 of the Stock Exchange (Completion of Bargains) Act 1976, for use as the directors may determine. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

DIVIDENDS

131. The profits of the Company available for distribution (as defined in section 39 of the Companies Act 1980 as amended by the Companies Act 1981) and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.

132. No dividend or interim dividend shall be payable otherwise than in accordance with the provisions of the Statutes and no dividend shall exceed the amount recommended by the directors.

133. Subject to the rights of persons, if any, entitled to shares with preferential or other special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares (otherwise than in advance of calls) in respect whereof the dividend is paid. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.

134. Subject to the provisions of the Statutes and of these Articles, the directors may, if they think fit from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights, as well as in respect of those shares which confer on the

holders thereof preferential rights with regard to dividend and the directors may also pay half-yearly, or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of the opinion the profits justify the payment. Provided the directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.

135. The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

136. All unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. No dividend shall bear interest as against the Company.

137. Any dividend which has remained unclaimed for a period of twelve years from the date of declaration thereof shall, if the directors so resolve, be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

138. Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, and in the case of joint holders to any one of such joint holders, or to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the moneys represented thereby.

139. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

140. A general meeting declaring a dividend may, upon the recommendation of the directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payment shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the directors, and generally may make such arrangements for the allotment, acceptance and

sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit.

141. With the prior approval of any General Meeting, the Directors may, in respect of any dividend declared or proposed to be declared at that General Meeting or at any time prior to the next following Annual General Meeting (and provided that an adequate number of unissued Ordinary Shares is available for the purpose) offer holders of Ordinary Shares the right to elect to receive in lieu of such cash dividend (or part thereof) an allotment of additional Ordinary Shares credited as fully paid. In any such case the following provisions shall apply:-

(a) The basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value (calculated by reference to the average price) of the additional Ordinary Shares to be allotted in lieu of any amount of dividend shall equal such amount. For such purpose the "average price" of an Ordinary Share shall be the average price at which bargains are recorded in the Unlisted Securities Market section of The Stock Exchange Daily Official List, or, if appropriate, the mid-market quotation as derived from The Stock Exchange Daily Official List, on each of the first five business days on which the Ordinary Shares are quoted "ex" the relevant dividend.

(b) If the Directors determine to allow such right of election on any occasion, they shall give notice in writing to the holders of Ordinary Shares of the right of election offered to them and shall issue Forms of Election and shall specify the procedure to be followed and the place at which, and the latest date and time by which, duly completed Forms of Election must be lodged in order to be effective. The Directors may also issue forms under which holders of Ordinary Shares may elect to receive Ordinary Shares instead of cash both in respect of the relevant dividend and in respect of future dividends not yet declared or resolved (and accordingly in respect of which the basis of allotment shall not have been determined).

(c) The dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on Ordinary Shares in respect whereof the share election has been duly exercised ("the elected Ordinary Shares") and in lieu thereof additional Ordinary Shares (but not any fraction of any Ordinary Share) shall be allotted to 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 sums standing to the credit of reserves (including any Share Premium Account or Capital Redemption Reserve Fund) or profit and loss account as the Directors may determine a sum equal to the aggregate nominal amount of 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.

(d) The additional Ordinary Shares so allotted shall rank pari passu in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the relevant dividend then in issue.

(e) Article 143 (capitalisation of profits and reserves) shall apply (mutatis mutandis) to any capitalisation made pursuant to this Article.

(f) The Directors may on any occasion determine that rights of election shall not be made available to any holders of Ordinary Shares with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed to such determination.

RESERVES

142. The directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves, which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application, may at the like discretion either be employed in the business of the Company or be 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. The directors may also without placing the same to reserve, carry forward any profits which they think prudent not to divide.

CAPITALISATION

143. The Company may by Ordinary Resolution on the recommendation of the directors resolve that it is desirable to capitalise:-

- (a) any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits and accordingly that the directors be authorised and directed to appropriate the sum resolved to be capitalised to the members in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to 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 such members respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum such shares or debentures to be allotted and distributed credited as

fully paid up to and amongst such members in the proportions aforesaid or partly in one way and partly in the other Provided that a sum standing to the credit of a share premium account or a reserve account created under Article 141 may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to members as fully paid capitalisation shares.

- (b) any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid capitalisation shares to those members who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions)

and the directors shall give effect to any such resolution.

144. Whenever such a resolution as aforesaid shall have been passed, the directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for the allotment to them respectively of any shares to which they may be entitled credited as fully paid up upon such capitalisation or (as the case may require), for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

145. The directors shall cause proper accounting records to be kept in accordance with the Statutes.

146. The accounting records shall be kept at the office, or (subject to the provisions of the Statutes) at such other place as the directors think fit, and shall always be open to inspection by the officers of the Company. No members (other than a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

147. The directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit

and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Statutes.

148. The auditors' report shall be read before the Company in general meeting and shall be open to inspection as required by the Statutes.

149. A printed copy of the directors' and auditors' reports accompanied by printed copies of the balance sheet, profit and loss account and other documents required by Statutes to be annexed to the balance sheet shall, not less than twenty one days before the general meeting before which they are to be laid, be delivered or sent by post to the registered address of every member and holder of debentures of the Company and to the auditors for the time being of the Company, and, if all or any of the shares in or debentures of the Company are for the time being listed on any Stock Exchange, there shall at the same time be forwarded to the secretary of such Stock Exchange such number of copies of each of these documents as may be required by the regulations for the time being of such Stock Exchange.

AUDIT

150. Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by an auditor or auditors.

151. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with provisions of the Statutes.

NOTICES

152. Any notice or document may be given or served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his address as appearing in the register of members. In the case of joint holders of a share, all notices shall be given to that one of the joint holders 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.

153. Any member described in the register of members by an address not within the United Kingdom who from time to time gives to the Company an address within the United Kingdom at which notice may be served upon him shall be entitled to have notices served upon him at such address, but, save as aforesaid, no member, other than a member described in the register of members by an address within the United Kingdom, shall be entitled to receive any notice from the Company.

154. Any member present, either in person or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was convened.

155. Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share shall be bound by any notice (other than a notice issued by authority of Article 44) in respect of such share which, before his name and address are entered in the register of members, is duly sent to the last registered address of the person from whom he derives his title to such share.

156. Any notice required 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 daily newspaper published in London.

157. Any notice or other document required to be served by the Company on any member, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice to be given by advertisement shall be deemed to have been served on the day on which the advertisement appears.

158. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member is then dead, bankrupt, of unsound mind or (being a corporation) in liquidation, and whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such member, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name has at the time of the service of the notice or document, been removed from the register of members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

WINDING UP

159. If the Company is wound up (whether the liquidation is altogether voluntary, under supervision, or by the court) the liquidator may, with the authority of an Extraordinary Resolution, and subject to any provision sanctioned by Ordinary Resolution of the Company under Section 74 of the Companies Act 1980 divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, thinks fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

160. Subject to the provisions of the Statutes, every director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.