

CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY

No. 1539186

I HEREBY CERTIFY that

PRECIS NINETEEN LIMITED

is this day incorporated under the Companies Acts 1948 to 1980 as
a private company and that the Company is limited.

Given under my hand at Cardiff the 15th January 1981.

E. A. WILSON

Assistant Registrar of Companies



CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME

No. 1539186

I HEREBY CERTIFY that

PRECIS NINETEEN LIMITED

having by special resolution and with the approval of the
Secretary of State changed its name, is now incorporated under
the name of

LDS LIMITED.

Given under my hand at Cardiff the 28th July 1981.

E. A. WILSON
Assistant Registrar of Companies

CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME

No. 1539186

I HEREBY CERTIFY that

L D S LIMITED

having by special resolution and with the approval of the
Secretary of State changed its name, is now incorporated under
the name of

LING DYNAMIC SYSTEMS LIMITED.

Given under my hand at Cardiff the 17th September 1981.

E. A. WILSON
Assistant Registrar of Companies

Number of Company: 1539186

THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION
of
PRECIS NINETEEN LIMITED

At an Extraordinary General Meeting of the Company held at Watling House, 35/37 Cannon Street, London EC4 on 13th May 1981 the following resolution was duly passed as a Special Resolution of the Company:-

SPECIAL RESOLUTION

THAT with the consent of the Department of Trade the name of the Company be changed to "LDS LIMITED".

MARGARET MOUNTFORD

Chairman

No. of Company: 1539186

THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

L D S LIMITED

At an Extraordinary General Meeting of the Company duly convened and held at Heath Works, Baldock Road, Royston, Herts on 3rd August 1981 the following resolution was duly passed as a special resolution:-

RESOLUTION

That with the consent of the Department of Trade the name of the Company be changed to "Ling Dynamic Systems Limited".

J. H. RUTHERFORD

Chairman

Company Number: 1539186

THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

PRECIS NINETEEN LIMITED

At an extraordinary general meeting of the Company duly convened and held at Watling House, 35-37 Cannon Street London, EC4M 5SD on 29th May 1981 the following resolution was duly passed as a special resolution:-

RESOLUTION

THAT:

- (a) the capital of the Company be increased to £160,000 by the creation of 159,900 ordinary shares of £1 each the holders whereof shall be entitled to the rights set out in the Articles of Association of the Company to be adopted pursuant to paragraph (c) of this resolution;
- (b) the capital of the Company be further increased to £260,000 by the creation of 100,000 12 per cent. Cumulative Participating Redeemable Preference Shares of £1 each the holders whereof shall be entitled to the rights set out in the Articles of Association of the Company to be adopted pursuant to paragraph (c) of this resolution;
- (c) the provisions of the Memorandum of Association of the Company with respect to its objects be altered by deleting Clause 3 thereof and by substituting therefor the provisions contained in the printed document marked "Z" submitted to this Meeting and for the purpose of identification signed by the Chairman hereof;
- (d) the regulations contained in the printed document marked "X" submitted to this meeting and for the purpose of identification subscribed by the Chairman hereof, be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all the existing articles thereof.

A. C. EMERSON
Chairman

distributed to and among such members renounceable allotment letters for such shares in the proportion of three new Ordinary Shares of £1 each credited as fully paid up at par for every one Ordinary Share of £1 each (to be converted under paragraph (e) of this Resolution into Deferred Shares) held by them immediately prior to the passing of this Resolution.

- (d) the Directors be and they are hereby generally and unconditionally authorised and directed to apply the said sum of £477,822 and issue the new Ordinary Shares of £1 each referred to in this Resolution on the basis set out herein during the period of one month from the date of the passing of this Resolution.
- (e) forthwith upon the allotment of the said 477,822 new Ordinary Shares of £1 each the 159,274 existing issued Ordinary Shares of £1 each in the capital of the Company be and they are hereby converted into and redesignated as Deferred Shares of £1 each having attached thereto the rights and privileges and being subject to the restrictions and provisions set out in the Company's new Articles of Association to be adopted under Paragraph (f) of this Resolution.
- (f) the Company adopt in substitution for the existing Articles of Association new Articles of Association in the form set out in the document marked 'B' submitted to the Meeting and for the purposes of identification subscribed by the Chairman of the Meeting.

J. H. RUTHERFORD

Chairman

No. 1539186

THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION

OF

LING DYNAMIC SYSTEMS LIMITED

Passed 16th September 1985

At an Extraordinary General Meeting of the Company held on 16th September 1985 the following resolutions were duly passed as Ordinary Resolutions.

RESOLUTIONS

1. That the capital of the Company be increased to £663,096 by the creation of 26,000 Ordinary Shares of £1 each such new Ordinary Shares to rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.

2. That the directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (as defined in the said Section 80) consisting of or related to Ordinary Shares up to an aggregate nominal value not exceeding £26,000 such authority to expire on 31st August 1990 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

J. H. RUTHERFORD

Chairman

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

RESOLUTION

OF

LING DYNAMIC SYSTEMS LIMITED

Passed 22nd August 1986

At an Extraordinary General Meeting of the above named Company held on 22nd August 1984 the following Resolution was duly passed as a Special Resolution:-

RESOLUTION

THAT :-

- (i) the capital of the Company be increased to £4,485,672 by the creation of 3,822,576 $8 \frac{7}{8}$ per cent Cumulative Preference Shares of £1 each such new shares to carry the rights and restrictions contained in the proposed new Article numbered 4 set out in the document produced to the meeting and signed by the Chairman for the purpose of identification.
- (ii) each of the 503,822 Ordinary Shares of £1 in the capital of the Company whether in issue or unissued be sub-divided into 20 Ordinary Shares of 5p each.
- (iii) upon the recommendation of the Directors that it is desirable to capitalise the sum of £3,822,576 being as to £500,731 the amount standing to the credit of the Share Premium Account and as to £3,321,845 part of the amount standing to the credit of the Company's Profit and Loss Account, such sum of £3,822,576 be set free for distribution among the members of the Company who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the sum be not paid in

cash but applied in paying up in full at par 3,822,576 8 7/8 per cent. Cumulative Preference Shares of £1 each in the capital of the Company and that there be distributed to and among such members renounceable allotment letters for such shares in the proportion of eight new 8 7/8 per cent. Cumulative Preference Shares of £1 each credited as fully paid up at par for every one Ordinary Share of £1 held by them immediately prior to the passing of this Resolution.

- (iv) the Directors be and they are hereby generally and unconditionally authorised and directed to apply the said sum of £3,822,576 and to issue the 8 7/8 per cent. Cumulative Preference Shares of £1 each referred to in this Resolution on the basis set out herein during the period from the date of the passing of this Resolution until the 24th October 1986.
- (v) the Articles of Association of the Company be amended as follows:-
 - (a) by the deletion of the existing Article 3 therein;
 - (b) by the insertion after the existing Article 2 therein of the new Articles numbered 3 - 6 inclusive set out in the document already produced to the meeting and signed by the Chairman for the purpose of identification;
 - (c) by the consequential renumbering of the remaining Articles therein;
 - (d) by the deletion of the existing Article 20 therein (as renumbered) and the substitution therefor of the new Article 20 set out in the said document.

R.V.M. Dawkins

Secretary

THE COMPANIES ACT 1985

SPECIAL RESOLUTIONS

of

LING DYNAMIC SYSTEMS LIMITED

Passed 29th July 1988

At an Extraordinary General Meeting of the above-named Company, duly convened and held at Heath Works Baldock Road Royston Herts on Friday 29th July 1988, the following Resolutions were duly passed as Special Resolutions:-

RESOLUTIONS

- (1) The Articles of Association of the Company be amended by the insertion of the following new Article 10 immediately after the existing Article 9 thereof and by the consequential renumbering of the remaining Articles therein:

"PURCHASE OF OWN SHARES

10. Subject to the provisions of the Companies Act 1985, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of of the redemption or purchase of its own shares out of distributable profits of the company or the proceeds of a fresh issue of shares."
- (2) The terms of the proposed contract whereby the Company may become entitled and obliged to purchase its own

shares and of which a copy is produced to the Meeting and initialled for the purpose of identification by the Company Secretary, be and are hereby approved, and any director of the Company be and is hereby authorised to enter into the contract on behalf of the Company and to fulfil all obligations of the Company thereunder.

DIRECTOR

No. 1539186

THE COMPANIES ACT 1985

EXTRAORDINARY RESOLUTION

of

**THE HOLDERS OF 8 7/8 PER CENT CUMULATIVE PREFERENCE
SHARES OF £1 EACH IN THE CAPITAL**

of

LING DYNAMIC SYSTEMS LIMITED

Passed 5th December 1988

At a Separate General Meeting of the holders of 8 7/8 per cent. Cumulative Preference Shares of £1 each in the capital of the above named Company duly convened and held at Ebbgate House 2 Swan Lane London EC4 on Monday 5th December 1988 the following Resolution was duly passed as an Extraordinary Resolution:-

RESOLUTION

THAT this meeting hereby sanctions every variation alteration or modification of the special rights attached to the 8 7/8 per cent Cumulative Preference Shares of £1 each in the capital of the Company involved in or proposed to be effected by the passing as a special resolution of the resolution set out in the notice convening an extraordinary general meeting of the Company for the 5th day of December 1988 a copy of which notice has been laid before this meeting and subscribed by the chairman thereof for the purposes of identification.

R.V.M. Dawkins
DIRECTOR

THE COMPANIES ACT 1985

SPECIAL RESOLUTION

of

LING DYNAMIC SYSTEMS LIMITED

Passed 5th December 1988

At an Extraordinary General Meeting of the above-named Company, duly convened and held at Ebbgate House 2 Swan Lane London EC4 on Monday 5th December 1988, the following Resolution was duly passed as a Special Resolution:-

RESOLUTION

THAT conditionally upon approval of this Resolution being given by an Extraordinary Resolution of the holders of the 8 7/8 per cent Cumulative Preference Shares at the separate meeting of such holders convened immediately before this meeting or at any adjournment of such separate meeting Article 7 of the Articles of Association of the Company be amended as follows:-

- (i) By inserting at the beginning and before paragraph (1) thereof the words

"The provisions of paragraphs 1 to 11 of this Article 7 shall not apply to transfers of the Preference Shares and in this Article, except where the context expressly requires otherwise,

"share" and "shares" shall not include the Preference Shares:-"; and

- (ii) In Paragraph (6) thereof by inserting before the words "on terms mutatis mutandis" the words "(including, for the purposes of this paragraph, the holders of the Preference Shares)" and by inserting after the words "according to the number of shares" the words "(including Preference Shares if applicable)".

R.V.M. Dawkins
DIRECTOR

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

RESOLUTION

OF

LING DYNAMIC SYSTEMS LIMITED

Passed 10th March 1989

At an Extraordinary General Meeting of the above named Company held on the 10th March 1989 the following Resolution was duly passed as a Special Resolution:-

RESOLUTION

THAT :-

- (i) the capital of the Company be increased to £5,649,138 by the creation of 1,163,466 $8 \frac{7}{8}$ per cent Cumulative Preference Shares of £1 each such new shares to rank pari passu in all respects with the existing $8 \frac{7}{8}$ per cent Cumulative Preference Shares of £1 each in the capital of the Company.
- (ii) upon the recommendation of the Directors that it is desirable to capitalise the sum of £1,163,466 being part of the amount standing to the credit of the Revaluation Reserve, such sum of £1,163,466 be set free for distribution among the holders of Ordinary Shares of 5p in the capital of the Company who would have been entitled thereto if distributed by way of dividend to such holders and in the same proportions on condition that the sum be not paid in cash but applied in paying up in full at par 1,163,466 $8 \frac{7}{8}$ per cent Cumulative

Preference Shares of £1 each in the capital of the Company and that there be distributed to and among such holders certificates for such shares in the proportion of fifteen new 8 7/8 per cent Cumulative Preference Shares of £1 each credited as fully paid up at par for every one hundred Ordinary Shares of 5p held by them immediately prior to the passing of this Resolution.

(iii) the Directors be and they are hereby generally and unconditionally authorised and directed to apply the said sum of £1,163,466 and to allot and issue the 8 7/8 per cent Cumulative Preference Shares of £1 each referred to in this Resolution on the basis set out herein during the period from the date of the passing of this Resolution until the 10th September 1989.

(iv) the Articles of Association of the Company be amended by the deletion of the existing Article 3 therein and the substitution therefor of the following new Article:-

"3. The share capital of the Company at the date of the adoption of this Article is £5,649,138 divided into 4,986,042 8 7/8 per cent Cumulative Preference Shares of £1 each (hereinafter called "the Preference Shares") 10,076,440 Ordinary Shares of 5p each (hereinafter called "the Ordinary Shares") and 159,274 Deferred Shares of £1 each (hereinafter called "the Deferred Shares") "

R.V.M. Dawkins
DIRECTOR

No. 1539186

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

RESOLUTION

OF

LING DYNAMIC SYSTEMS LIMITED

Passed 10th March 1989

At an Extraordinary General Meeting of the above named Company held on the 10th March 1989 the following Resolution was duly passed as a Special Resolution:-

RESOLUTION

THAT the terms of the proposed contract whereby the Company may become entitled and obliged to purchase its own shares and of which a copy is produced to the Meeting and initialled for the purpose of identification by the Company Secretary, be and are hereby approved, and any director of the Company be and is hereby authorised to enter into the contract on behalf of the Company and to fulfil all obligations of the Company thereunder.

R.V.M. Dawkins
DIRECTOR

No. 1539186

THE COMPANIES ACTS 1985 to 1989

RESOLUTION dated the 17th day of February 1994 agreed to by all the members of the Company entitled to attend and vote at a General Meeting taking effect as a

SPECIAL RESOLUTION IN WRITING

of

LING DYNAMIC SYSTEMS LIMITED

presented for filing pursuant to Section 380(1) and (4) (c) of the Companies Act 1985 (as amended by the Companies Act 1989)

We, being all the ordinary shareholders of the above named Company who are entitled to attend and vote at a General Meeting, hereby resolve and agree that the following resolution shall take effect as a **SPECIAL RESOLUTION** :

SPECIAL RESOLUTION

THAT the off-market purchase of 1,120,000 87/8% Cumulative Preference Shares of £1 each in the capital of the Company on the terms of the proposed contract to be made between the Company (1) and Management Securities Limited and Mr S J Titcomb and Mrs A C Titcomb as Trustees of the Titcomb Foundation (2) as now initialled by the undersigned for purposes of identification be and is hereby approved.

Signed :
J H RUTHERFORD

Signed :
MISS H J EMERSON

Signed :
A C EMERSON & MRS V A EMERSON

Signed :
S J TITCOMB & MRS A C TITCOMB

Signed :
M A EMERSON

Signed :
P R MICHELL & MR A C TITCOMB

Dated : 17th February 1994

No. 1539186

THE COMPANIES ACTS 1985 to 1989

RESOLUTION dated the 30th day of March 1994 agreed to by all the members of the Company entitled to attend and vote at a General Meeting taking effect as a

SPECIAL RESOLUTION IN WRITING

of

LING DYNAMIC SYSTEMS LIMITED

presented for filing pursuant to Section 380(1) and (4) (c) of the Companies Act 1985 (as amended by the Companies Act 1989)

We, being all the ordinary shareholders of the above named Company who are entitled to attend and vote at a General Meeting, hereby resolve and agree that the following resolution shall take effect as a **SPECIAL RESOLUTION** :

SPECIAL RESOLUTION

THAT the off-market purchase of 1,162,000 87/8% Cumulative Preference Shares of £1 each in the capital of the Company on the terms of the proposed contract to be made between Helen Jane Emerson and the other Vendors whose names are set out in said contract (1) and the Company (2) as now initialled by the undersigned for purposes of identification be and is hereby approved.

Signed :
J H RUTHERFORD

Signed :
MISS H J EMERSON

Signed :
A C EMERSON & MRS V A EMERSON

Signed :
S J TITCOMB & MRS A C TITCOMB

Signed :
M A EMERSON

Signed :
P R MICHELL & MR A C TITCOMB

Dated : 30th March 1994

No. 1539186

THE COMPANIES ACTS 1985 TO 1989
COMPANY LIMITED BY SHARES

RESOLUTIONS dated the 1st day of June 1994 agreed to by all the members of the Company entitled to attend and vote at a General Meeting taking effect as

ORDINARY RESOLUTIONS IN WRITING

of

LING DYNAMIC SYSTEMS LIMITED

presented for filing pursuant to Section 380(1) of the Companies Act 1985 (as amended by the Companies Act 1989)

We, being all the ordinary shareholders of the above named Company who are entitled to attend and vote at a General Meeting, hereby resolve and agree that the following resolutions shall take effect as ORDINARY RESOLUTIONS:

ORDINARY RESOLUTIONS

1. The grant of options under the terms of the Ling Dynamic Systems Limited 1985 Executive Share Option Scheme on 6th April 1992 to Mr C J Williams and Mr P Seaton respectively over ordinary shares of 5p each in the capital of the Company as set out below be and they are hereby approved and confirmed together with authority for the Directors generally and unconditionally (pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (as therein defined) consisting of or relating to Ordinary Shares of 5p each up to the number of 148148 as set out below such authority to expire on 31st May 1999 save that in respect of the said two options granted on 6th April 1992 the Company may having granted the said options as aforesaid before such expiry allot the said 148148 Ordinary Shares subject to such options or any of them (the same being relevant securities) after such expiry and the Directors may allot the said 148148 or any of them (being relevant securities) in pursuance of the grant of the said options as if the authority conferred hereby had not expired

Christopher John Williams

74074 Ordinary Shares

Peter Seaton

74074 Ordinary Shares

147148

2. That without prejudice to the generality of the authority

specifically contained in Resolution 1 above the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (as defined in the said Section 80) consisting of or related to Ordinary Shares of 5p each up to an aggregate nominal value not exceeding £26,000 such authority to expire on 31st May 1999 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Signed..... <i>[Signature]</i>	Signed..... <i>Mark Emerson</i>
Signed..... <i>A. Emerson</i>	Signed..... <i>[Signature]</i>
Signed..... <i>V. Emerson</i>	Signed..... <i>Al Titcomb</i>
Signed..... <i>A. Emerson</i>	Signed..... <i>[Signature]</i>
	Signed..... <i>Al Titcomb</i>

Dated *1st June* 1994

LING DYNAMIC SYSTEMS LIMITED

(Registered in England No. 1539186)

WRITTEN RESOLUTION

Pursuant to section 381A of the Companies Act 1985 the following Resolution is hereby passed as a Special Resolution:

SPECIAL RESOLUTION

That the Purchase Contract expressed to be made between J H Rutherford and others (1) and the Company (2) and to provide for the purchase by the Company of 1,684,380 Ordinary Shares of 5p each and 58,073 Deferred Shares of £1 each of the Company, a final draft whereof marked "A" is attached to this Resolution be and the same is hereby approved and the Directors be and they are hereby authorised to procure the Company to enter into such Purchase Contract.

Signed by all the members of the Company who at the date of the Resolution (being the date when the Resolution is signed by or on behalf of the last member to sign) would be entitled to attend and vote at a general meeting of the Company had the Resolution been put to such a meeting:

Signed:	..... MRS H J HOLDSWORTH	Signed:	..... S J TITCOMB
Signed:	..... M A EMERSON	Signed:	..... MRS A C TITCOMB
Signed:	..... MRS R M EMERSON	Signed:	..... P R MITCHELL & MRS A C TITCOMB

Dated: 27th February 1995

LING DYNAMIC SYSTEMS LIMITED

(Registered in England No. 1539186)

WRITTEN RESOLUTION

Pursuant to section 381A of the Companies Act 1985 the following Resolution is hereby passed as a Special Resolution:

SPECIAL RESOLUTION

That the provisions of Article 7 of the Articles of Association of the Company be amended by the addition of the words: "to transfer of shares to the Company, where the Company proposes to purchase its own shares, nor" shall be included after the words "Article 7 shall not apply".

Signed by all the members of the Company who at the date of the Resolution (being the date when the Resolution is signed by or on behalf of the last member to sign) would be entitled to attend and vote at a general meeting of the Company had the Resolution been put to such a meeting:

Signed:	..... J H RUTHERFORD	Signed:	..... MRS R M EMERSON
Signed:	..... A C EMERSON	Signed:	..... S J TITCOMB
Signed:	..... MRS V A EMERSON	Signed:	..... MRS A C TITCOMB
Signed:	..... MRS H J HOLDSWORTH	Signed:	..... P R MITCHELL & MRS A C TITCOMB
Signed:	..... M A EMERSON		

Dated: 27th February 1995

THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

LING DYNAMIC SYSTEMS LIMITED

(as amended and altered by Special Resolutions passed the 29th May 1981 and the 1st March 1984, by Ordinary Resolution passed the 16th September 1985, by Special Resolution passed the 22nd August 1986 and by Special Resolution passed the 10th March 1989)

*1. The name of the Company is "LING DYNAMIC SYSTEMS LIMITED".

2. The registered office of the Company will be situate in England.

**3. The objects for which the Company is established are:-

- (1) To carry on business as an investment and holding company and to control and co-ordinate the business, administration, policies, management, research, planning, trading and any and all other activities of any corporation or corporations or group of corporations now or hereafter formed or incorporated or acquired by the Company or which may be or become related to or associated with the Company in any way.

* The name of the Company was originally PRECIS NINETEEN LIMITED; the name of the Company was changed to L D S LIMITED on the 28th July 1981 pursuant to a Special Resolution passed on the 13th May 1981 and was changed to its present name on the 17th September 1981 pursuant to a Special Resolution passed on the 3rd August 1981.

** The provisions of Clause 3 were substituted for the original Clause 3 by Special Resolution passed the 29th May 1981.

- (2) To acquire any such bonds, debentures, debenture stock, funds, loans, notes, obligations or securities, scrip, shares or stock by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to vary and transpose from time to time as may be considered expedient any of the Company's investments for the time being.
- (3) To acquire and hold bonds, debentures, debenture stock, notes, obligations, scrip, shares or stock issued or guaranteed by any company constituted or carrying on business in any part of the world, and funds, loans, obligations or securities of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise whether at home or abroad and to co-ordinate the administration of any group or groups of two or more companies under its control for the time being.
- (4) To make, manufacture, develop, turn to account, conduct research into, design, buy, sell, repair, distribute, exchange or otherwise deal in vibration test equipment and ancillary equipment used in connection therewith, electrical and electronic apparatus and instruments of all kinds, light engineering apparatus and equipment, scientific and other instruments and all kinds of components, parts and devices used in connection therewith.
- (5) To carry on all or any of the businesses of electrical and general engineers and to buy, sell, manufacture, repair, alter and otherwise deal in apparatus, plant, machinery, fittings, tools, materials, products and things of all kinds capable of being used for the purposes of the above-mentioned businesses or any of them.
- (6) To acquire by any means any real or personal property or rights whatsoever.
- (7) To carry on any other business which may seem to the Company capable of being conducted directly or indirectly for the benefit of the Company.
- (8) To make experiments in connection with any business or proposed business of the Company, and to apply for or otherwise acquire in any part of the world any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and manufacture under or grant licences or privileges

in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.

- (9) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection therewith, or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits, or for cooperation, or for limiting competition, or for mutual assistance, with any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon.
- (10) To acquire and hold shares or other interests in or securities of any other company and otherwise invest and deal with the moneys of the Company.
- (11) To lend money or give credit to such persons on such terms as may seem expedient, but not to carry on the business of a licensed moneylender.
- (12) To borrow money and to secure by mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the discharge by the Company or any other person of any obligation or liability.
- (13) To guarantee the performance of any obligation by any person whatsoever.
- (14) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (15) To apply for, promote and obtain any Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state or municipality, Provisional Order or Licence of the Board of Trade or other authority for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its Members.

- (21) To distribute among the Members of the Company in kind any assets of the Company.
- (22) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (23) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate, and whether domiciled in the United Kingdom or elsewhere, and the objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in nowise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the Members is limited.

5. The share capital of the Company is £5,649,138 divided into 4,986,042 $8 \frac{7}{8}$ per cent. Cumulative Preference Shares of £1 each, 10,076,440 Ordinary Shares of 5p each and 159,274 Deferred Shares of £1 each. *

-
- * (i) The share capital of the Company was originally £100 divided into 100 Shares of £1 each.
- (ii) By Special Resolution passed the 29th May 1981 the share capital was increased to £260,000 divided into 100,000 12% Cumulative Participating Redeemable Preference Shares of £1 each and 160,000 Ordinary Shares of £1 each.
- (iii) By Special Resolution passed the 1st March 1984 the share capital was increased and altered to £637,096 divided into 477,822 Ordinary Shares of £1 each and 159,274 Deferred Shares of £1 each.
- (iv) By Ordinary Resolution passed the 16th September 1985 the share capital was increased to £663,096 by the creation of a further 26,000 Ordinary Shares of £1 each.
- (v) By Special Resolution passed the 22nd August 1986 the share capital was increased to £4,485,672 by the creation of 3,822,576 $8 \frac{7}{8}$ per cent. Cumulative

Preference Shares of £1 each and altered by the subdivision of each of the existing Ordinary Shares of £1 into 20 Ordinary Shares of 5p each.

- (vi) By Special Resolution passed the 10th March 1989 the share capital was increased to its present amount by the creation of 1,163,466 $8 \frac{7}{8}$ per cent Cumulative Preference Shares of £1 each.

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

NAMES, ADDRESSES AND
DESCRIPTIONS OF SUBSCRIBERS

NO. OF SHARES TAKEN BY
EACH SUBSCRIBER

LEON NEAL
34 Hill Crest,
Tunbridge Wells,
Kent

One

Accountant

MARGARET MOUNTFORD
Flat 5,
41 St. George's Square,
London SW1

One

Solicitor

DATED this 8th day of December 1980

WITNESS to the above Signatures:-

ANDREW GRIFFITHS
38 Alexandra Grove,
London N.4.

Solicitor

THE COMPANIES ACTS 1948 to 1981

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

(adopted the 1st March, 1984 and as amended by Special Resolutions passed the 22nd August 1986, the 29th July 1988, the 5th December 1988 and the 10th March 1989)

OF

LING DYNAMIC SYSTEMS LIMITED

PRELIMINARY

1. Subject as hereinafter provided the Regulations set out in Part I of Table A in the First Schedule to the Companies Act 1948 as amended by Part III of the Eighth Schedule to the Companies Act 1967, the Stock Exchange (Completion of Bargains) Act 1976, the Second Schedule to the Companies Act 1976, the Third Schedule to the Companies Act 1980 and the Third Schedule to the Companies Act 1981 (hereinafter called "Table A") shall apply to this Company save in so far as they are varied or excluded by or are inconsistent with these regulations.

2. Regulations 24, 73(A), 75, 77, 89 to 97 (inclusive) and 106 to 109 (inclusive) of Table A shall not apply to the Company.

CAPITAL

*3. The share capital of the Company at the date of the adoption of this Article is £5,649,138 divided into 4,986,042 $8 \frac{7}{8}$ per cent Cumulative Preference Shares of £1 each (hereinafter called "the Preference Shares") 10,076,440 Ordinary Shares of 5p each (hereinafter called "the Ordinary Shares") and 159,274 Deferred Shares of £1 each (hereinafter called "the Deferred Shares")

* NOTE:- Article 3 was inserted in place of the previous Article 3 by Special Resolution passed the 10th March 1989. Articles 4-6 were inserted by Special Resolution passed the 22nd August 1986.

4. The Preference Shares and the Ordinary Shares will confer on the holders the following rights and restrictions:

(A) As regards income

- (i) The holders of the Preference Shares shall be entitled in priority to any payment of dividend on any other class of share to a fixed cumulative preferential dividend ("the fixed preference dividend") accruing as on and from the date of allotment at the rate of $8\frac{7}{8}$ per cent per annum (exclusive of the associated tax credit) and to be paid on 15th March and 15th September in each year in respect of the six month periods ending on those dates the first such dividend to be payable on 15th March 1987 in respect of the period from the date of allotment to 15th March 1987.
- (ii) Subject thereto and to any special rights which may be attached to any class of shares hereafter issued, the balance of the profits of the Company available for dividend and resolved to be distributed shall be distributed amongst the holders of the Ordinary Shares according to the amounts paid up or credited as paid up on such shares held by them respectively.

(B) As regards capital

On a return of assets on a winding up or reduction of share capital involving repayment :-

- (1) (a) the assets of the Company available for distribution among the members or to be repaid to the members shall be applied, in priority to any payment to the holders of any other class of shares, in payment to the holders of the Preference Shares of the amounts paid up or credited as paid up on such shares together also with a sum equal to the amount of any arrears accruals or deficiency of the fixed preference dividend (whether earned or declared or not) thereon calculated down to the date of the return and a premium (if any) calculated in accordance with the provisions of this paragraph

- (b) For the purposes of this paragraph -

"business day" means a day on which business is done upon The Stock Exchange

"the prescribed period" means a period of three months ending on the date thirty days before the commencement of the winding up in the case of a compulsory winding up or the date of the notice convening the general meeting of the Company in the case of a

voluntary winding up or of a reduction of share capital involving repayment

"the Official List" means the Official List published under the authority of the Council of The Stock Exchange

"the nominal value" of the Preference Shares means the amount of capital paid up or credited as paid up on such shares

"the rate of the preference dividend" means 8 7/8 per cent

"the market price" of the Preference Shares on any business day shall be price determined in accordance with either sub-paragraph (d) or sub-paragraph (e) of this paragraph whichever is appropriate

- (c) The premium shall be equal to the amount (if any) by which the average (as certified by the Auditors for the time being of the Company) of the market price of the Preference Shares on each of the business days falling within the prescribed period exceeds the nominal value of the Preference Shares
- (d) Unless or until the Preference Shares are listed on The Stock Exchange the market price of the Preference Shares on any business day shall be deemed to be an amount which bears such proportion to the nominal value of the Preference Shares as the average yield for commercial and industrial preference shares as published in the FT-Actuaries Share Indices on 22nd August 1986 namely 10.84 bears to such average yield as published on that business day provided that if the average yield for commercial and industrial preference shares as published in the FT-Actuaries Share Indices ceases to be published such expression shall be deemed to include any substitute average yield expressly published to replace it, and if there shall be no such substitute average yield such alternative method of calculating the average yield for commercial and industrial preference shares shall be adopted whether by reference to other published statistics or otherwise as the Auditors for the time being of the Company in their absolute discretion shall decide whose decision shall be final and binding on all concerned.
- (e) If at any time the Preference Shares are listed on the Stock Exchange the market price of the

Preference Shares on any business day shall be deemed to be an amount equal to the Middle market quotation for the Preference Shares on that business day ascertained by reference to the Official List for that day after deducting from the price so determined an amount equal to the amount (if any) included in such price representing any arrears accruals or deficiency of the fixed preference dividend (whether earned or declared or not) calculated down to the date of that business day

- (2) The balance of such assets subject to the rights attached to the Deferred Shares and to any special rights which may be attached to any class of shares hereafter issued shall be long to and be distributed amongst the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up on such shares held by them respectively

(C) Further issues of Shares

The special rights conferred upon the holders of the Preference Shares shall be deemed not to be varied or abrogated by the creation or issue of further preference shares ranking as regards participation in the profits or assets of the Company pari passu with the Preference Shares provided the nominal amount of such further preference shares when aggregated with the nominal amount of the Preference Shares and the nominal amount of any further preference shares already created by virtue of this paragraph shall not exceed £5,000,000. Subject to the foregoing any creation or issue of further preference shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares shall be deemed to be a variation of the special rights conferred upon the holders of the Preference Shares

(D) Voting

- (1) The Preference Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting, unless either:
- (a) at the date of the notice convening the meeting the dividend on such shares is two months in arrear and so that for this purpose the dividend shall be deemed to be payable half yearly on the dates mentioned in paragraph (A) (i) above in respect of the periods mentioned in that paragraph; or
 - (b) the business of the meeting includes the consideration of a resolution for winding up the Company or reducing its capital or any

resolution (including any resolution for the creation or issue of any further preference shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares otherwise than as permitted by paragraph (C) of this Article) directly abrogating or varying any of the special rights or privileges attached to such shares and then only on such resolution.

- (2) A resolution for reducing the capital of the Company shall not be passed without either the consent in writing of the holders of a majority of the issued Preference Shares or the sanction of an ordinary resolution passed at a separate general meeting of the holders of the Preference Shares.

5. The rights attaching to the Deferred Shares are as follows:-

- (A) No right to receive any dividend;
- (B) On a winding-up the holders of the Deferred Shares shall be entitled out of the surplus assets of the Company to a return of capital paid up by them respectively on the Deferred Shares after a total of £40,000,000 has been distributed in such winding-up in respect of the Ordinary Shares;
- (C) Save as aforesaid the holders of the Deferred Shares shall not be entitled to any participation in the profits or assets of the Company;
- (D) The Deferred Shares shall not entitle the holders thereof to attend or vote at any general meeting of the Company in respect of such Deferred Shares.

6. Save as otherwise provided by these Articles all rights conferred on holders of shares in the Company by these Articles or the law shall belong to and be exercised by the holders of the Ordinary Shares.

TRANSFER OF SHARES

*7. The provision of paragraphs 1 to 11 of this Article 7 shall not apply to transfers of shares to the Company, where the Company proposes to purchase its own shares, nor to transfers of the Preference Shares and in this Article, except where the context expressly requires otherwise, "share" and "shares" shall not include the Preference Shares:-

- Note:
1. Article 7 was amended by Special Resolution passed the 5th December 1988.
 2. Article 7 was amended by Special Resolution passed by a Written Resolution dated 27th February, 1995.

- (1) Except as hereinafter provided no shares in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- (2) Any share or shares may be transferred with the consent of all the other members for the time being of the Company to any person and any share or shares may be transferred by a Member to the spouse or any child or children of such Member or to the trustees of any settlement made by such Member for the benefit of the spouse or any child or children of such Member and the share or shares of a deceased Member may be transferred by his executors or administrators to the spouse or any child or children of such deceased Member or to the trustees of any trust created by the Will of or arising on the intestacy of such deceased Member for the benefit of the spouse or any child or children of such Member and shares standing in the name of any such trustees as aforesaid may be transferred upon any change of trustees to the trustees for the time being of any such settlement or trust or to a beneficiary thereunder being the spouse or child of such a Member as aforesaid.
- (3) Any share or shares may from time to time be transferred from one member of the UKP Group to another member of the UKP Group without restriction.
- (4) A member (or person entitled to shares in consequence of the death or bankruptcy of a member) who desires to transfer any share or shares or any interest therein other than pursuant to paragraph (2) or (3) hereof (hereinafter called "the Vendor") shall give notice in writing (hereinafter called "a transfer notice") to the Board of Directors of his desire. A separate transfer notice shall be given in respect of each class of shares which the Vendor desires to transfer. The transfer notice shall constitute the Board his agent for the sale of the said shares to members of the Company at a price which in a case where the Board are satisfied, on the production of such evidence as they may require, that the Vendor has received a bona fide cash offer in writing at arms length, is equal to the price of such offer or in any other case at such price as shall be agreed upon by the Vendor and the Board, or in default of agreement at the price which the Auditor of the Company for the time being shall certify to the Board by writing under his hand to be, in his opinion, the fair selling value thereof in a sale between a willing vendor and a willing purchaser. No transfer notice shall be withdrawn except with the sanction of the Directors or if the Vendor shall not accept the assessment of fair selling value as fixed by the Auditor and shall immediately on being notified of such value withdraw his transfer notice.

- (5) If the Auditor is unable or unwilling to so certify, the fair selling value shall be certified by an independent chartered accountant appointed by the President or next senior available officer of the Institute of Chartered Accountants in England and Wales upon the application of the Directors. In so certifying the Auditor or Accountant shall be considered to be acting as an expert and not as arbitrator, and accordingly the Arbitration Act 1950 or any statutory re-enactment or modification thereof for the time being in force shall not apply.
- (6) The Board on the price being fixed as aforesaid shall forthwith by notice in writing inform the members of the Company (other than the Vendor and any other member then having given or, pursuant to these Articles, then to be deemed to have given, a transfer notice to the Board in respect of all his shares) holding shares of the same class as those comprised in the transfer notice of the shares comprised in the transfer notice and invite each shareholder to whom such notice is given to apply in writing to the Company within 28 days of the date of despatch of the notice for such maximum number of such shares as he shall specify in such application. Such invitations to purchase shall be at the price fixed as aforesaid and shall remain open for 28 days after the date of despatch of the notice (which shall be specified therein) and if the offer is not accepted in writing within that time it will be deemed to be declined. (If) within that period the Board shall not find members of the same class willing to purchase all the shares comprised in the transfer notice the Board shall offer any remaining shares to members of any other class or classes (including, for the purposes of this paragraph, the holders of the Preference Shares) on terms mutatis mutandis to the terms offered to members of the same class. The Board shall offer the shares the subject of the transfer notice on terms that the shares so offered shall (in accordance with but subject to the provisions of this Article) be sold to the members accepting the offer in accordance with their applications (and in the case of competition pro rata according to the number of shares (including Preference Shares if applicable) in the Company of which they are registered or unconditionally entitled to be registered as holders) without increasing the number sold to any member beyond the number applied for by him.
- (7) If the Board shall within the limits of time hereinbefore mentioned find any member or members willing to purchase all (but not part only) of the shares comprised in the transfer notice at the price fixed as aforesaid the Board shall thereupon give notice in writing to the Vendor and the Vendor shall

be bound upon payment of the said price to transfer the shares to such member or members, who shall be bound to complete the purchase within 14 days of the service of such last mentioned notice.

- (8) If the Vendor after becoming bound as aforesaid makes default in transferring the said shares the Chairman for the time being of the Board of Directors, or failing him one of the Directors duly nominated by resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor and shall execute, complete and deliver in the name and on behalf of the Vendor a transfer or transfers of the said shares to the purchasing member or members, and the Company may receive and give good discharge for the purchase moneys on behalf of the Vendor and enter the name or names of the purchaser or purchasers in the register of members as the holder or holders by transfer of the said shares purchased by him or them, and thereafter the validity of the proceedings shall not be questioned by any person. The Vendor shall in such case be bound to deliver up his certificate for the said shares and on such delivery shall be entitled to receive the said purchase price, without interest, and if such certificate shall comprise any shares which he has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such shares.
- (9) If the Board shall not within the limits of time hereinbefore mentioned find a member or members willing to purchase all the shares comprised in the transfer notice at the price fixed as aforesaid or if through no default of the Vendor the purchase of any shares shall not be completed within 14 days of the service on the Vendor of the notice provided by paragraph (7) hereof it shall thereupon give notice to the Vendor in writing and the Vendor may within six months of the service of such notice transfer all or any of the shares which are then unsold comprised in the transfer notice to any person at a price per share not less than that agreed or fixed as aforesaid without any discount rebate or other allowance in favour of the transferee and the Board may require the Vendor and the transferee to satisfy them by means of statutory declarations or otherwise that the consideration set forth in any such transfer is the true consideration and that there is no bargain or arrangement between the parties for any such discount rebate allowance or other deduction from the price or any payment or other consideration moving or to move from the Vendor to the transferee.
- (10) Subject to paragraph (2) of this Article the Executors or Administrators of any deceased member shall be

bound if called upon by the Directors to give a transfer notice in respect of all the shares registered in the name of the deceased member at the date of his death or such as still remain so registered and should such Executors or Administrators fail to give such transfer notice within 14 days of being called on so to do they shall be deemed to have given the same at the expiration of such period of 14 days.

- (11) Subject to paragraph (2) of this Article if any member shall be adjudged bankrupt his trustee in bankruptcy shall be bound forthwith to give to the Company a transfer notice in respect of all the shares registered in the name of the bankrupt member and in default of such transfer notice being given within one month of bankruptcy the Trustee in bankruptcy shall be deemed to have given such transfer notice at the expiration of the said period of one month.

VOTES OF MEMBERS

8. Subject to any special rights or restrictions as to voting attached to any shares 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 representative or proxy shall have one vote, and on a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for every one penny in nominal amount of the Ordinary Shares in the capital of the Company of which he is the holder.

9. Subject to the provisions of the Companies Acts 1948 to 1981 a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective for all purposes as if the same had been duly passed at a general meeting of the Company duly convened and held and may consist of several documents in the like form each signed by one or more such persons.

PURCHASE OF OWN SHARES

* 10. Subject to the provisions of the Companies Act 1985, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares out of distributable profits of the company or the proceeds of a fresh issue of shares.

* NOTE:- Article 10 was inserted by Special Resolution passed the 29th July 1988.

DIRECTORS

11. Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be less than two.

12. Notwithstanding any limitation in the number of Directors imposed by or under these Articles of Association so long as any member of the UKP Group is the holder of any share in the capital of the Company UKPI (or if it shall not be a member of the Company such other member of the Company which is a member of the UKP Group as UKP may by notice in writing to the Company specify) shall be entitled from time to time to appoint as a Director of the Company any person (herein referred to as "a Special Director") approved by the Directors of the Company (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. In the event of a resolution being proposed at any general meeting of the Company for the removal from office of a Special Director every holder of Ordinary Shares who is a member of the UKP Group and who is present in person or by proxy shall have five votes for every one penny in nominal amount of the Ordinary Shares in the capital of the Company of which he is the holder. The remuneration to be paid to a Special Director shall be payable by the Company and shall be such as may be agreed between him and the Company or failing agreement a reasonable sum.

13. 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 addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number if any fixed in accordance with these Articles.

14. Without prejudice to the powers of the Directors under the preceding Article the Company may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

15. The words "and every director present at any meeting of directors or committee or directors shall sign his name in a book to be kept for that purpose" at the end of Regulation 86 of Table A shall not apply to the Company.

16. A Director (including an alternate Director) who has duly declared his interest therein may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout and if he shall so vote his vote shall be counted and he shall be counted in the quorum when any such contract or arrangement is under consideration and paragraph (2) and (4) of Regulation 84 of Table A shall not apply to the Company.

ALTERNATE DIRECTORS

17. Each Director (including a Special Director) shall have the power from time to time to appoint with the approval of the Board of Directors (such approval not to be unreasonably withheld) any person to act as alternate Director in his place at all meetings, in all proceedings in which and on all occasions when he shall not himself act, and on such appointment being made the alternate Director shall except as to remuneration be subject in all respects to the terms and conditions existing with reference to the other Directors of the Company. An alternate Director shall be an officer of the Company and shall alone be responsible for his own acts and defaults and he shall not be deemed to be an agent of the Director appointing him and the Director so appointing shall not be responsible for the acts and defaults of an alternate Director so appointed. An alternate Director shall ipso facto vacate office if and when the Director so nominating him vacates office as a Director or removes the nominee from office. Every such nomination and removal under this Article shall be effected in writing under the hand of the Director making the same and shall take effect on delivery to the registered office of the Company. The remuneration of an 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.

18. A Director and an alternate Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company, and at any separate meeting of the holders of any class of shares in the Company.

PROCEEDINGS OF DIRECTORS

19. A resolution in writing signed by all the Directors (other than a Director for the time being absent from the United Kingdom and not represented by an alternate Director) shall be as effective for all purposes 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, but so that the expression "Director" in this Article shall not include an alternate Director unless he has been appointed by a Director who is for the time being absent from the United Kingdom.

20. The quorum necessary for the transaction of the business of the Directors shall be three.

BORROWING POWERS

- * 21 (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 to issue debentures and other securities. The Directors shall restrict the borrowings of the Company and exercise all rights 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 of the Company and either the consent in writing of the holders of three fourths of the issued Preference Shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Preference Shares, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Company and of all moneys borrowed by any subsidiary or subsidiaries for the time being of the Company (excluding amounts borrowed by any such company from any other of them) then exceeds or would as a result of such borrowing exceed an amount equal to the Share Capital and Consolidated Reserves.
- (2) For the purposes of the foregoing:-
- (a) the amount outstanding in respect of acceptances by the Company or by any subsidiaries of the Company or by any bank acceptance house under any acceptance credit opened on behalf of the Company or any subsidiary of the Company (not being acceptances in relation to the purchase of goods in the ordinary course of business) shall be taken into account as moneys borrowed; and
 - (b) the nominal amount (including any premium on redemption or repayment) of any share capital of any body corporate or of any money borrowed by any person (other than a subsidiary for the time being of the Company) the redemption or repayment whereof is for the time being guaranteed by the Company or by any such subsidiary shall be deemed to be borrowed by the Company entering into the guarantee and taken into account accordingly but

* NOTE:- Article 21 (formerly Article 20) was substituted for the previous Article 17 by Special Resolution passed the 22nd August 1986.

- (c) 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 money borrowed.

"The Auditors" means the Auditors for the time being of the Company or in the case of the joint Auditors any one of them.

"Share Capital and Consolidated Reserves" means at any material time the amount standing to the credit of the share capital account of the Company plus the aggregate amount standing to the credit of the consolidated capital and revenue reserves (including any share premium account or capital redemption reserve fund) plus or minus the amount standing to the credit or debit (as the case may be) of the consolidated profit and loss account all as shown in the latest published group accounts but adjusted as may be necessary and appropriate to take account of any subsidiary not consolidated in such accounts and any increase in or reduction of the issued and paid-up share capital of the Company since the date to which the consolidated balance sheet incorporated in such accounts shall have been made up and any distributions (other than normal preference dividends and interim dividends paid in each case out of profits earned since such date) in cash or specie made, recommended or declared from such reserves or profit and loss account since such date; excluding any sums set aside for taxation; deducting any amount for goodwill or any other intangible asset (not being an amount representing part of the cost of a bona fide commercial acquisition of shares or other property) shown as an asset in such balance sheet (as adjusted); deducting any amount attributable to minority interests; and after making such other adjustments (if any) as the Auditors may consider appropriate, including in particular adjustments as may be appropriate to provide for the carrying into effect of the transaction for the purposes of or in connection with which the Share Capital and Consolidated Reserves require to be calculated. For the purposes of the forgoing, share capital allotted shall be treated as issued and share capital called up or payable at any fixed future date within the following six months shall be treated as already paid. The certificate of the Auditors as to the amount of the Share Capital and Consolidated Reserves at any time shall be conclusive and binding upon all concerned.

- (3) No debt incurred or security given in respect of 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.

22. In these Articles:-

- (i) "UKPI" shall mean United Kingdom Temperance and General Provident Institution.
- (ii) "UKP Group" shall mean UKPI and its subsidiary companies (as defined by Section 154 of the Companies Act 1948) from time to time.