

2772002

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM

AND

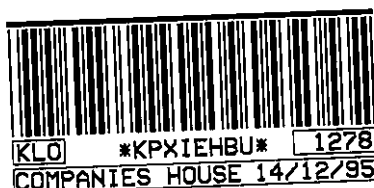
NEW

ARTICLES OF ASSOCIATION

(as adopted by Special Resolution
passed on 4 May 1994 and
amended by Special Resolutions
passed on 20 May 1994 and 13 July 1995)

-of-

LOMBARD INSURANCE GROUP PLC



MACFARLANES
10, NORWICH ST.
LONDON EC4A 1BD

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

-of-

LOMBARD INSURANCE GROUP plc

1. The Company's name is BESTLETTER LIMITED.*
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England and Wales.
4. The objects of the Company are:-
 - (aa) To carry on the business of a holding company and to acquire by purchase, exchange, subscription or otherwise and to hold the whole or any part of the shares, stock, debenture stock, loan stock, bonds, obligations, securities, property, rights, privileges or other interests of or in any company, corporation, firm or undertaking carrying on business of any kind whatsoever in any part of the world and to enter into, assist or participate in financial, commercial, mercantile, industrial and other transactions undertakings and businesses of every description and to carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account, and to manage, conduct, supervise, control and co-ordinate the activities, businesses, operations or affairs of any company, corporation or firm in which the Company is for the time being interested and to co-ordinate the policy and administration of any companies of which the Company is a member or which are in any manner controlled by or connected or associated with the Company.
 - (a) To purchase or by any other means acquire and take options over any property whatever and any rights or privileges of any kind over or in respect of any property.
 - (b) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks,

* On 12th January, 1993 the Company's name was changed to Lombard Holdings Limited. On 13th April, 1994 the Company re-registered as a public company with the name Lombard Insurance Group plc.

designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

- (c) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (d) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (e) To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (f) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (g) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or

assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

- (h) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (i) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (j) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (k) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (l) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (m) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear

likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

- (n) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (o) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (p) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (q) To distribute among the Members of the Company in kind any property of the Company of whatever nature.
- (r) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (s) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance including insurance for any Director, officer or Auditor against any liability as is referred to in Section 310(1) of the Act; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other

relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

- (t) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1) (a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (u) To procure the Company to be registered or recognised in any part of the world.
- (v) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (w) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's object or of any of the powers given to it by the Act or by this Clause.

AND so that:-

- (1) None of the provisions set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such provision, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (2) 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 person, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
- (3) In this Clause the expression "the Act" means the Companies Act 1984, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

5. The liability of the Members is limited.

6. The Company's share capital is £1,000 divided into 1,000 shares of £1 each.**

** The 1,000 shares of £1 were each sub-divided into 100 Ordinary Shares of 1p each by an Ordinary Resolution passed on 18th March 1993.

By a Special Resolution of the Members passed on 26th May 1993 each of the 100,000 shares of 1p each were converted into one B Ordinary Share of 1p and the authorised capital of the Company was increased to £20,415,000 by the creation of 900,000 A Ordinary Shares of 1p each, 500,000 B Deferred Shares of 1p each and 25,500,000 Redeemable Cumulative Preference Shares of 80p each.

On 18 May 1994 the 15,391,554 Preference Shares of 80p each and the 74,549,783 Redeemable Deferred Shares of 10p each were redeemed and cancelled.

On 20 May 1994 the nominal capital of the Company was increased to £4,750,000 by the creation of 10 Ordinary Shares of 10p each.

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

-of-

LOMBARD INSURANCE GROUP PLC

(as adopted by Special Resolution
passed on 4 May, 1994 and amended
by Special Resolutions passed on
20 May 1994 and 13 July 1995)

PRELIMINARY

Exclusion of Table A

1. The regulations contained in the Schedule to the Companies (Tables A to F) Regulations 1985 shall not apply to the Company. No regulations otherwise applicable to the Company under any enactment relating to companies shall apply as a regulation or article of the Company.

Interpretation Article

2. In these Articles, if not inconsistent with the context, the following words set out in the table below shall have the following meanings:-

Words

Meanings

"the Act"

the Companies Act 1985.

"these Articles"

these Articles of Association, as altered from time to time.

"the Directors"

the Directors of the Company acting by resolution duly passed at a Meeting of the Directors or otherwise as permitted by these Articles.

"the London Stock
Exchange"

The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.

"month"

calendar month.

"the Office"

the registered office of the Company from time to time.

"the Register"	the register of members of the Company.
"Recognised Person"	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in Section 185(4) of the Act.
"the Seal"	the Common Seal of the Company and, as appropriate, any official seal kept by the Company by virtue of Section 40 of the Act.
"the Secretary"	the Secretary of the Company from time to time appointed by the Directors pursuant to Article 118.
"the Statutes"	the Act, every statutory modification or re-enactment thereof for the time being in force and every other Act or statutory instrument for the time being in force concerning limited companies and affecting the Company (including, without limitation, the Companies Consolidation (Consequential Provisions) Act 1985).
"Subsidiary"	a subsidiary within the meaning contained in Section 736 of the Act.
"United Kingdom"	Great Britain and Northern Ireland.
"in writing"	written or produced by any substitute for writing or partly one and partly another.
"Year"	calendar year.

Words importing the masculine gender shall include the feminine gender and vice versa.

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

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

Words or expressions which are not defined in these Articles but which are defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

SHARE CAPITAL

Capital

3. The authorised share capital of the Company is £4,750,000

divided into 47,500,000 Ordinary Shares of 10p each.

Rights attached to new shares

4. Without prejudice to any special rights, privileges or restrictions previously conferred on the holders of any existing shares or class of shares (which special rights or privileges or restrictions shall not be affected, modified, abrogated or varied except in accordance with Article 46), any shares in the Company may be issued with or have attached thereto such rights, including such preferred, deferred or other special rights or privileges 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.

Provisions relating to Shares

5.1 Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, any shares may be issued on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as these Articles may from time to time provide.

5.2 Subject to the provisions of the Statutes, the Company may purchase its own shares (including any redeemable shares).

5.3 The Company may not purchase any shares forming part of its equity share capital if, at the time of such purchase, there are outstanding any securities of the Company convertible into, or carrying the right to subscribe for, shares of the same class as those proposed to be purchased unless such purchase has been sanctioned by an Extraordinary Resolution passed at a separate class meeting of the holders of the convertible securities.

5.4 Notwithstanding anything to the contrary contained in these Articles, but subject to any rights specifically attached to any class of shares from time to time, the rights attached to any class of shares shall be deemed not to be varied or abrogated by anything done by the Company pursuant to this Article 5.

Control of Directors over shares

6. Subject to the provisions of these Articles and of the Statutes, any unissued shares shall be under the control of the Directors, who may allot and dispose of or grant options over the same to such persons, at such time and on such terms and in such manner as they think fit.

Underwriting commission and brokerages

7. The Company (or the Directors on behalf of the Company) may exercise the powers of paying commissions conferred by the Statutes and may, at their discretion, satisfy any obligation to pay commissions wholly or in part by the issue of shares credited as fully paid. The Company (or the Directors on behalf of the Company) may also on any issue of shares pay such brokerage as may be lawful.

Trusts not recognised

8. Save as required by statute, the Company shall be entitled to treat the person whose name appears upon the Register in respect of any share as the absolute owner of that share, and shall not (save as aforesaid) be under any obligation to recognise any trust or equity or equitable claim to or partial interest in such share, whether or not it shall have express or other notice thereof.

SHARE CERTIFICATES

Certificates

9.1 Every Member (except a Recognised Person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without payment to one certificate for all the shares registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of such shares so registered. Every certificate shall specify the number and class of shares in respect of which it is issued and the distinctive numbers, if any, of such shares and the amounts paid up thereon respectively. Every such certificate shall be delivered to the Member within two months after the allotment or, as the case may be, the lodging with the Company of the transfer, of the shares comprised therein. Every certificate for shares, debenture stock or other form of security (other than Letters of Allotment or Scrip Certificates) shall be issued under the Seal and (subject as hereinafter provided) shall bear the autographic signatures of one or more of the Directors and the Secretary provided that the Directors may by resolution determine that such signatures or any of them may be affixed thereto by some mechanical means or may be printed thereon.

9.2 Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of the shares issued in lieu without charge.

Additional certificates

10. Subject as provided in Article 11, if any Member shall require additional certificates, he shall pay for each additional certificate such reasonable out of pocket expenses as the Directors shall determine.

Renewal of certificates

11. If any certificate is defaced, worn out, lost or destroyed, a new certificate may be issued without charge (other than exceptional out-of-pocket expenses) and the person requiring the new certificate shall surrender the defaced or worn-out certificate or give such evidence of the loss or destruction of the certificate and such indemnity to the Company as the Directors shall determine.

JOINT HOLDERS OF SHARES

Joint Holders

12. Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following:-

12.1 The Company shall not be bound to register more than four persons as the holders of any share;

12.2 The joint holders of any share shall be liable, severally as well as jointly, in respect of all payments which are to be made in respect of such share.

12.3 On the death of any one of joint holders of a share, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share; but the estate of a deceased joint holder shall not be released from any liability in respect of any share which had been jointly held by him.

12.4 Any one of joint holders may give effectual receipts for any dividend, bonus or return of capital payable to such joint holders.

12.5 Only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, or to receive notices from the Company, and any notice given to such person shall be deemed notice to all the joint holders.

12.6 Any one of the joint holders of any share for the time being conferring a right to vote may vote either personally or by proxy at any meeting in respect of such share as if he were the sole holder, provided that if more than one of such joint holders is present at any meeting, either personally or by proxy, the person whose name stands first in the Register as one of such holders, and no other, shall be entitled to vote in respect of the share.

CALLS ON SHARES

Calls, how made

13. The Directors may from time to time make calls upon the Members in respect of all or any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the conditions of allotment thereof made payable at any fixed time; provided that (except as otherwise provided by the conditions of allotment) no call shall exceed one-fourth of the nominal amount of the share, or be made payable within one month after the date when the last instalment of the last preceding call shall have been made payable; and each Member shall, subject to receiving fourteen days' notice at least, specifying the time and place for payment, pay the amount called on his shares to the persons and at the times and places appointed by the Directors.

When call deemed to be made

14. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be payable by instalments or postponed or revoked either wholly or in part as the Directors may determine.

Differences in amounts paid on shares

15. On the issue of shares the Directors may differentiate between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.

Interest on calls in arrear

16. If a call payable in respect of any share or any instalment of a call is not paid before or on the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest on the same at the rate fixed by the conditions of allotment of the share in question or, if no rate is so fixed, at such rate, not exceeding 20 per cent. per annum, as the Directors determine from the day appointed for the payment of such call or instalment to the time of actual payment; but the Directors may, if they shall think fit, waive the payment of such interest or any part thereof. No dividend or other payment or distribution in respect of any such share shall be paid or distributed, and no other rights which would otherwise normally be exercisable in accordance with these Articles may be exercised by a holder of any such share, so long as any such sum or any interest or expenses payable in accordance with this Article in relation thereto remains due.

Instalments to be treated as calls

17. If, by the conditions of allotment of any shares or otherwise, any amount is made payable at a fixed time, whether on account of the nominal amount of the shares or by way of premium, every such amount shall be payable as if it were a call duly made by the Directors, of which due notice had been given; and all the provisions hereof with respect to the payment of calls and interest thereon, or to the forfeiture of shares for non-payment of calls, shall apply to every such amount and the shares in respect of which it is payable.

Payment in advance of calls

18. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so paid in advance the Directors may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in General Meeting, 6 per cent. per annum) as may be agreed upon between the Member paying the moneys in advance and the Directors. Any such payment in advance shall not entitle the Member concerned to participate in respect of the amount of such payment in any dividend declared or paid on such shares.

FORFEITURE OF SHARES AND LIEN

Notice requiring payment of call or instalment

19. If any Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring him to pay so much of the call or instalment as is unpaid, together with interest accrued and any expenses incurred by reason of such non-payment.

What the notice is to state

20. The notice shall specify a further day (not being earlier than the expiration of fourteen days from the date of the notice) on or before which such call or instalment and all interest accrued and expenses incurred by reason of such non-payment are to be paid, and it shall also specify the place where payment is to be made. The notice shall state that, in the event of non-payment at or before such time at the place specified, the shares in respect of which such call or instalment is payable will be liable to forfeiture.

Forfeiture if notice not complied with

21. If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect, and any such forfeiture shall extend to all dividends declared in respect of the shares so forfeited but not actually paid before such forfeiture. The Directors may accept surrender of any share liable to be forfeited hereunder.

Forfeited shares the property of the Company

22. When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be invalidated by any omission or neglect to give such notice. Subject to the provisions of the Statutes, any forfeited share shall be deemed to be the property of the Company, no voting rights shall be exercised in respect thereof and the Directors may cancel the same or within three years of such forfeiture sell, re-allot or otherwise dispose of the same in such manner as they think fit either to the person who was before the forfeiture the holder thereof, or to any other person, and either with or without any past or accruing dividends, and, in the case of re-allotment, with or without any money paid thereon by the former holder being credited as paid up thereon. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Statutes.

Liability to pay calls after forfeiture

23. Any person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall remain liable

to pay to the Company all moneys which at the date of the forfeiture were presently payable by him to the Company in respect of the shares, together with interest thereon at the rate fixed by the conditions of the allotment of the shares in question or, if no rate is fixed, at such rate, not exceeding 20 per cent. per annum, as the Directors shall appoint, down to the date of payment, but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares, together with interest as aforesaid. The Directors may, if they think fit, waive the payment of such money and/or the interest or any part thereof.

Lien on partly paid shares

24. The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each Member (whether solely or jointly with other persons) for any amount payable in respect of such shares, whether presently payable or not, and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

Sale for lien

25. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto, in such manner as they think fit, but no such sale shall be made until all or any part of the sum outstanding on the shares shall have become payable and until notice in writing stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment shall have been served on such Member and default shall have been made by him in the payment of the sum payable for fourteen days after such notice.

Proceeds how applied

26. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Member or as he shall in writing direct or the person (if any) entitled by transmission to the shares immediately before the sale.

What necessary to give title to purchaser

27. An entry in the Directors' minute book of the forfeiture of any shares, or that any shares have been sold to satisfy a lien of the Company, shall be sufficient evidence, as against all persons claiming to be entitled to such shares, that the said shares were properly forfeited or sold; and such entry, the receipt of the Company for the price of such shares and the appropriate share certificate shall constitute a good title to such shares, and the name of the purchaser or other person entitled shall be entered in the Register as a Member, and he shall be entitled to a certificate of title to the shares and

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 forfeiture or sale. For giving effect to the sale of any forfeited share, or the sale of any share to satisfy a lien, the Directors may authorise some person to transfer any such shares sold to the purchaser thereof. The remedy (if any) of the former holder of such shares, and of any person claiming under or through him, shall be against the Company and in damages only.

TRANSFER AND TRANSMISSION OF SHARES

Form of instrument of transfer etc.

28. All transfers of shares shall be in writing in the usual common form or in any other form permitted by the Stock Transfer Act 1963 or approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, if the shares transferred are not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register in respect thereof.

Renunciation of Allotments

29. The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.

Power to refuse registration of transfers of shares

30. The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of shares of any class (not being fully paid shares), and may also decline to register any transfer of shares of any class on which the Company has a lien.

31. The Directors may also refuse to recognise any instrument of transfer of a share, unless:-

31.1 the instrument of transfer, duly stamped, is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate for the shares to which it relates if it has been issued, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

31.2 the instrument of transfer is in respect of only one class of share; and

31.3 the instrument of transfer is in favour of four or fewer persons.

Notice of refusal of transfer

32. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Register may be closed

33. Subject to compliance with the Statutes the Register may be closed at such times and for such periods as the Directors in their absolute discretion may from time to time determine, provided that it shall not be closed for more than thirty days in any year.

No fee for registration

34. No fee shall be charged in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares.

Transfer instruments to be retained by the Company

35.1 All instruments of transfer which shall be registered shall, subject to Article 35.2, be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the persons depositing the same.

35.2 The Company shall be entitled to destroy the following documents at the following times:-

35.2.1 Registered instruments of transfer: at any time after the expiration of six years from the date of registration thereof.

35.2.2 Allotment letters: at any time after the expiration of six years from the date of issue thereof.

35.2.3 Dividend mandates, powers of attorney, grants of probate and letters of administration: at any time after the account to which the relevant mandate, power of attorney, grant of probate or letters of administration related has been closed.

35.2.4 Notifications of change of address: at any time after the expiration of two years from the date of recording thereof.

35.2.5 Cancelled share certificates: at any time after the expiration of one year from the date of the cancellation thereof.

35.3 It shall conclusively be presumed in favour of the Company:-

35.3.1 that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and

properly made; and

35.3.2 that every such document so destroyed was valid and effective and had been duly and properly registered, cancelled, or recorded, as the case may be, in the books or records of the Company.

35.4 The provisions in Articles 35.2 and 35.3 shall apply 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.

35.5 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 other circumstances, which would not attach to the Company in the absence of this Article.

35.6 References in this Article to the destruction of any document include the disposal thereof in any manner.

Persons recognised on death of shareholder

36. On the death of any Member (not being one of two or more joint holders of a share), the legal personal representatives of such deceased Member shall be the only persons recognised by the Company as having any title to the share or shares registered in his name.

Transmission

37. Any person becoming entitled to a share or shares by reason of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time be required by the Directors, elect either to be registered as a Member in respect of such share or shares, or to make such transfer of the share or shares as the deceased or bankrupt person could have made. If the person so becoming entitled shall elect to be registered himself he shall give to the Company a notice in writing signed by him to that effect. The Directors shall, in either case, have the same right to refuse or suspend registration as they would have had if the death or bankruptcy of the Member had not occurred and the notice of election or transfer were a transfer executed by that Member.

Limitation of rights before registration

38. Any person becoming entitled to a share by reason of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share or unless the Directors otherwise determine, be entitled in respect of it to receive notice of, or to exercise any right conferred by membership in relation to, meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer such share to some other person and, if such notice is not complied with within ninety days after service, the Directors may thereafter withhold payment of

all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

Untraced Shareholders

39. The Company shall be entitled to sell at the best price reasonably obtainable any share of a Member or any share to which a person is entitled by transmission if and provided that:-

39.1.1 for a period of twelve years, no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final, and no such dividend has been claimed; and

39.1.2 the Company has, at any time following the expiration of the said period of twelve years, given notice of its intention to sell such share by advertisement in one national daily newspaper and in one local newspaper circulating in the area in which the last known address of the Member or of the person entitled to the share by transmission at which service of notices might be effected in accordance with these Articles is located; and

39.1.3 the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale, received any communication from the Member or person entitled by transmission; and

39.1.4 the Company has given notice in writing of its intention to sell such shares to the London Stock Exchange.

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

ALTERATION OF SHARE CAPITAL

Capital, how increased

40. The Company may from time to time, by Ordinary Resolution, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

New capital to be considered part of original unless otherwise provided

41. Any capital raised by the creation of new shares shall, unless otherwise provided by the conditions of issue, be considered as part of the original capital, and shall be subject to the same provisions with reference to the payment of calls and the forfeiture of shares on non-payment of calls, transfer and transmission of shares, lien or otherwise, as if it had been part of the original capital.

Alteration of capital

42.1 The Company may by Ordinary Resolution:-

42.1.1 sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company. Provided that in the sub-division of an existing share the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

42.1.2 determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage compared with the others;

42.1.3 consolidate and divide its capital or any part thereof into shares of larger amount than its existing shares; and

42.1.4 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 capital by the amount of the shares so cancelled.

42.2 The Company may, by Special Resolution, reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised by law.

Fraction of shares

43. Anything done in pursuance of Article 42 shall be done in the manner therein provided and subject to any conditions imposed by the Statutes (so far as applicable) and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same and otherwise in such manner as the Directors deem most expedient, with power for the Directors on any consolidation of shares to deal with fractions of shares in any manner they think fit. In particular, whenever on any consolidation Members shall be entitled to

any fractions of shares the Directors may sell all or any of such fractions and shall distribute the net proceeds thereof amongst the Members entitled to such fractions in due proportions. In giving effect to any such sales, the Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer 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 relating to the transfer.

MODIFICATION OF RIGHTS

Rights of various classes may be altered

44.1 If at any time the capital is divided into different classes of shares, the rights attached to any class or any of such rights (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 127 of the Act, whether or not the Company is being wound up, be modified, abrogated or varied in such manner (if any) as may be provided by those rights, or with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class, but not otherwise.

44.2 To every such separate General Meeting, the provisions of these Articles relating to General Meetings shall, mutatis mutandis, apply but so that:-

44.2.1 at every such separate General Meeting, the quorum shall be two persons at least holding or representing by proxy one third of the issued shares of the class. Provided that, if at any adjourned meeting of the holders of any class a quorum as defined is not present, those holders who are present in person or by proxy shall form a quorum;

44.2.2 any holder of shares of the class in question present in person or by proxy may demand a poll; and

44.2.3 the holders of the shares of the class in question shall, on a poll, have one vote in respect of every share of the class held by them respectively.

44.3 This Article shall apply to the modification, variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be modified, varied or abrogated.

For the avoidance of doubt, the provisions of these Articles relating to General Meetings shall apply, with necessary modifications, to any separate meeting of the holders of shares of a class held otherwise than in connection with the variation, abrogation or modification of the rights attached to shares of that class.

Creation or issue of further shares of special class

45. The rights attached to any class of shares shall not (unless otherwise provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held) be deemed to be varied or modified by the creation or issue of further shares ranking in some or all respects *pari passu* therewith but in no respect in priority thereto.

GENERAL MEETINGS

Annual General Meetings

46. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. All General Meetings other than Annual General Meetings shall be called "Extraordinary General Meetings".

Requisition for Extraordinary General Meeting

47.1 The Directors may, whenever they think fit, convene an Extraordinary General Meeting and shall do so upon a requisition made in accordance with Section 368 of the Act.

47.2 If, at any time, there shall not be present in the United Kingdom and capable of acting sufficient Directors to form a quorum, the Directors in the United Kingdom capable of acting, or if there shall be no such Directors then any two Members, may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which General Meetings may be convened by the Directors, and the Company at such meeting shall have power to elect Directors.

Business at meeting called by requisition

48. In the case of an Extraordinary General Meeting called in pursuance of a requisition, unless such meeting shall have been called by the Directors, no business other than that stated in the requisition as the objects of the meeting shall be transacted.

NOTICE OF GENERAL MEETINGS

Notice of meeting

49. An Annual General Meeting and an Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company shall be called by at least twenty-one days' notice in writing and any other Extraordinary General Meeting shall be called by at least fourteen days' notice in writing. The period shall be exclusive of the day on which notice is served or deemed to be served and also of the day for which it is given.

Contents of notice

50. The notice shall specify the place, the day and the time of meeting, and, in case of special business, the general nature of the business. The notice shall be given in manner hereinafter mentioned or in such other manner (if any) as may be prescribed by the Company in General Meeting to such persons as are under these Articles entitled to receive such notices from the Company. Every notice calling an Annual General Meeting shall specify the meeting as such.

Statement as to proxies in notice

51. In every notice calling a meeting of the Company or of any class of Members of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him, and that a proxy need not be a Member.

Omission to give notice

52. The accidental omission to give notice to any person entitled under these Articles to receive notice of a General Meeting, or the non-receipt by any such person of such notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

Business of meeting

53. The ordinary business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets, the reports of the Directors and Auditors, and any other documents required by law to be attached or annexed to the balance sheets, to elect Directors in place of those retiring by rotation or otherwise, to elect Auditors where no special notice of such election is required by the Statutes and fix their remuneration, or determine the method by which it may be fixed, to declare dividends and to confer, vary or renew any authority under Section 80 of the Act or any power pursuant to Section 95 of the Act. All other business transacted at an Annual General Meeting, and all business transacted at an Extraordinary General Meeting, shall be deemed special.

Quorum

54. No business shall be transacted at any General Meeting unless a quorum of Members is present; and such quorum shall consist of not less than two Members present in person, by representative (in the case of a corporate member) or by proxy and entitled to vote.

Chairman

55. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or he

is unwilling to act as Chairman, the Directors present shall choose one of their number present to be Chairman and, if there is only one Director present and willing to act, he shall be Chairman; or if no Director is present and willing to act, the Members shall choose one of their number to be Chairman.

Adjournment for want of quorum

56. If, within fifteen minutes from the time appointed for a General Meeting or such longer interval as the Chairman may think fit to allow a quorum is not present, the meeting, if convened by or on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such day and to such time and place (not being less than seven nor more than thirty days thereafter) as the Chairman may determine. In default of such determination, it shall be adjourned to the same day in the next week or, if that day is not a business day, the next following business day at the same time and place; if, at such adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

Adjournment with consent of meeting/by the Chairman

57.1 The Chairman may, with the consent of any General 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 other than the business which might lawfully have been transacted at the meeting from which the adjournment took place.

57.2 The Chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either sine die or to such other time and place as the Board or the Chairman of the meeting may decide if it appears to him that:-

- 57.2.1 the number of persons wishing to attend cannot be conveniently accommodated in the place(s) appointed for the meeting; or
- 57.2.2 the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
- 57.2.3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted; or
- 57.2.4 a proposal of importance is made for the consideration of which a larger attendance of Members is desirable.

Notice of Adjourned Meeting

58. When a meeting is adjourned for thirty days or more or sine die, seven days' notice of the adjourned meeting shall be given in the like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or

of the business to be transacted thereat.

Voting

59.1 At any General Meeting every question shall be decided by a show of hands unless a poll is (on or before the declaration of the result of the show of hands) directed by the Chairman or demanded by:-

59.1.1 at least three Members present in person or by proxy and entitled to vote; or

59.1.2 one or more 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

59.1.3 one or more Members holding shares in 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.

The demand for a poll may be withdrawn, and in the event that such demand is withdrawn following a show of hands on the resolution in question, the result of the show of hands shall remain valid.

59.2 A declaration by the Chairman that a resolution has been carried or not carried, or carried or not carried by a particular majority, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the facts, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Poll

60. If a poll is duly directed or demanded it may be taken immediately or (subject to the provisions of Article 62) at such other time (but not more than thirty days after such direction or demand) and place and in such manner as the Chairman may appoint, and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was directed or demanded. Provided that the time and place at which the poll is to occur is declared by the Chairman at the meeting at which the poll is directed or demanded, no notice need be given of a poll not taken immediately.

Casting Vote

61. In the case of an equality of votes at any General Meeting, whether upon a show of hands or on a poll, the Chairman shall be entitled to a second or casting vote.

When poll taken without adjournment

62. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

Votes

63. Subject to any special terms as to voting upon which any shares may for the time being be held, and subject always to Article 154, upon a show of hands every Member present in person or by representative (in the case of a corporate member) shall have one vote and, upon a poll, every Member present in person or by representative (in the case of a corporate member) or by proxy shall have one vote for every share held by him.

By committee or curator

64. A Member incapable by reason of mental disorder or otherwise of managing and administering his property and affairs may vote, whether on a show of hands or on a poll, by his receiver or other person appointed by any Court of competent jurisdiction to act on his behalf and any such person 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, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than forty-eight hours before the time of holding the meeting or adjourned meeting at which such person claims to vote.

Persons whose calls are unpaid not entitled to vote

65. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of the shares held by him in the Company have been paid.

Disenfranchisement of members

66.1 For the purposes of this Article, unless the context otherwise requires:-

- 66.1.1 "disclosure notice" means a notice issued by or on behalf of the Company requiring disclosure of interests in specified shares pursuant to Section 212 of the Act;
- 66.1.2 "restrictions" means one or more, as the case may be, of the restrictions referred to in Article 66.3;
- 66.1.3 "specified shares" means all or, as the case may be, some of the shares specified in a disclosure notice;
- 66.1.4 a person other than the Member holding a share shall be treated as appearing to be interested in the share if the Member has informed the Company that the person is, or may be, so interested, or if the Directors (after taking account of any information obtained from the Member or, pursuant to a disclosure notice, from any other person) know or have reasonable cause to believe that the person is, or may be, so interested; and

66.1.5 "interested" shall be construed as it is for the purpose of Section 212 of the Act.

66.2 Notwithstanding anything in these Articles to the contrary, if:-

66.2.1 a disclosure notice has been served on a Member or any other person appearing to be interested in the specified shares; and

66.2.2 the Company has not received (in accordance with the terms of such disclosure notice) the information required therein in respect of the relevant specified shares not later than fourteen days after the service of such disclosure notice

then the Directors may (subject to Article 66.3 below) determine that the Member in respect of the relevant specified shares shall, upon the issue of a restriction notice (as referred to below), be subject to the restrictions referred to in such restriction notice (and upon the issue of such restriction notice such Member shall be so subject). A "restriction notice" shall be a notice issued by the Company stating, or substantially to the effect, that (until such time as the Directors determine otherwise pursuant to Article 66.4) the specified shares referred to therein shall be subject to one or more of the restrictions stated therein.

66.3 The restrictions which the Directors may determine shall apply to specified shares pursuant to this Article shall be one or more, as determined by the Directors, of the following (save that, where the holder of specified shares is the holder of less than 0.25 per cent. (in nominal value) of the shares of the same class as the specified shares in issue at the time of service of the disclosure notice in respect of such specified shares, only the restriction referred to in Article 66.3.1 below may be determined by the Directors to apply):-

66.3.1 that the Member registered in respect of such specified shares shall not be entitled, in respect of those specified shares, to be present or to vote either personally or by representative or by proxy or otherwise at any General Meeting or at any separate General Meeting of the holders of any class of shares or upon any poll or to exercise any other right in relation to any General Meeting or any separate class meeting;

66.3.2 that no transfer of such specified shares by the Member registered in respect of such specified shares shall be effective or shall be recognised by the Company; and

66.3.3 that no dividend shall be paid to the Member registered in respect of such specified shares in respect of those specified shares and that, in circumstances where an offer of the right to elect to receive shares or other securities instead of cash in respect of any dividend is or has been made, any election made thereunder by such Member in respect of such specified shares shall not be effective.

66.4 The Directors may determine that one or more of the restrictions imposed on specified shares shall cease to apply (whereupon they shall cease so to apply) at any time, and all the restrictions imposed on the specified shares shall cease to apply on the date seven days after the occurrence of any of the following events:-

66.4.1 the Company receives (in accordance with the terms of the relevant disclosure notice) the information required therein in respect of such specified shares; or

66.4.2 the Company receives an executed instrument of transfer in respect of such specified shares, which would otherwise be given effect to, pursuant to a sale of such specified shares on a recognised investment exchange as defined in the Financial Services Act 1986 or on any stock exchange on which the Company's shares are normally dealt in or pursuant to an acceptance of a take-over offer for the Company (as defined in Section 428(1) of the Act); or

66.4.3 the Company receives any other executed instrument of transfer in respect of such specified shares which would otherwise be given effect to and the Directors have not determined, within ten days after such receipt, not to give effect thereto on the grounds that they have reasonable cause to believe that the change in the registered holder of such specified shares would not be as a result of an arm's length sale resulting in a material change in the beneficial interests in such specified shares.

66.5 Where dividends are not paid as a result of restrictions having been imposed on specified shares, such dividends shall accrue and shall be payable (without interest) upon the relevant restriction ceasing to apply.

66.6 Where the Directors make a determination under Article 66.4.3 above, they shall notify the purported transferee as soon as practicable thereof and any person may make representations in writing to the Directors concerning any such determination. The Directors shall not be liable to any person as a result of having imposed restrictions or having failed to determine that such restrictions shall cease to apply if the Directors acted in good faith.

66.7 Shares issued in right of specified shares in respect of which a Member is for the time being subject to restrictions under this Article shall on issue become subject to the same restrictions whilst held by that Member as the specified shares in right of which they are issued. For this purpose, shares which the Company procures to be offered to shareholders pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued in right of specified shares.

66.8 The Directors shall at all times have the right, at their discretion, to suspend, in whole or in part, any restriction notice

given pursuant to this Article either permanently or for any given period and to pay to a trustee any dividend payable in respect of any specified shares or in respect of any shares issued in right of specified shares which are referred to in such restriction notice. Notice of suspension, specifying the sanctions suspended and the period of suspension shall be given to the relevant Member in writing within seven days after any decision to implement such a suspension.

66.9 The provisions of this Article are without prejudice to, and shall not affect, the right of the Company to apply any of the provisions referred to in Part VI of the Act.

Objection to the qualification of a vote

67. If any objection shall be raised as to the qualification of any voter or it is alleged that any votes have been counted which should not have been counted or that any votes are not counted which ought to have been counted, the objection or allegation shall not vitiate the decision on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the alleged error occurs. Any objection or allegation made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Voting by proxy

68. Upon a poll votes may be given either personally or by proxy. A proxy shall not be entitled to vote except on a poll.

How signed

69. The instrument appointing a proxy shall be in the usual common form or such other form as may be approved by the Directors from time to time (provided that it shall be so worded as to enable the proxy to vote either for or against the resolutions to be proposed at the meeting at which the proxy is to be used) and shall be in writing under the hand of the appointor, or of his attorney duly authorised in writing, or if such appointor is a corporation either under its common seal or under the hand of an officer or attorney of the corporation duly authorised in writing. A Member may appoint two or more persons as proxies in the alternative, but, if he shall do so, only one of such proxies may attend as such and vote instead of such Member on any one occasion.

Any person may act as proxy

70. Any person may be appointed to act as proxy. A proxy need not be a Member of the Company.

Deposit of proxy

71.1 The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office (or such other place in the United Kingdom as may be specified for that purpose in or by way of note to the notice

convening the meeting) not less than forty-eight hours before the time fixed for holding the meeting or adjourned meeting at which the person named in such instrument is authorised to vote, or, in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll, or, in the case of a poll not taken forthwith but taken not more than forty-eight hours after it was demanded, at the meeting at which the poll was demanded with the Chairman or the Secretary or any Director, and in default the instrument of proxy shall not be treated as valid.

71.2 An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

71.3 In the event that more than one instrument of proxy relating to the same share is so delivered for the purposes of the same meeting, the instrument of proxy received last shall prevail in conferring authority on the person named therein to attend the meeting and vote.

71.4 The deposit or delivery of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjourned meeting.

A proxy may demand poll

72. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the Chairman.

When vote by proxy valid, though authority revoked

73. A vote given or act done in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the appointor, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, unless notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for depositing the instrument of proxy in or by way of the note to the notice convening the meeting) at least one hour before the commencement of the meeting or adjourned meeting or poll at which the vote was given or the act was done.

Votes by corporations

74. Any corporation which is a Member may, by resolution of its directors or their governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member attending the meeting in person.

DIRECTORS

Numbers of Directors

75. Unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall be not less than two nor more than twenty.

Director's retiring age excluded

76. A Director shall be capable of being appointed or re-elected a Director notwithstanding that he shall have attained the age of seventy nor shall a Director be required to retire by reason of his having attained that or any other age, and Section 293 of the Act shall not apply.

Director's share qualification

77. A Director shall not require a share qualification. A Director shall be entitled to receive notice of and attend and speak at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares in the capital of the Company.

Remuneration of Directors

78. The remuneration of the Directors for their services in the office of director shall in the aggregate not exceed £100,000 per annum and such remuneration shall be divided amongst the Directors as they shall agree or, in default of agreement, equally. The Directors may also be paid by way of additional remuneration such further sums as the Company in General Meeting may from time to time determine, and any such additional remuneration shall be divided among the Directors as they shall agree or, in default of agreement, equally.

Repayment of expenses

79. The Company may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors, or of any committee of the Directors, or General Meetings, or otherwise in or about the business of the Company.

Payment for duties outside scope of ordinary duties

80. Any Director who is appointed to any executive office or who serves on any committee 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, in addition to any remuneration to which he may be entitled under Article 78 such remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.

Register of holdings of shares or debentures by Directors

81. The Company shall, in accordance with the provisions of the Statutes, duly keep at the Office a register showing, as respects

each Director, the number, description and amount of any shares in or debentures of the Company and of other bodies corporate (including any Subsidiary) in which he is interested. Such register shall be open to inspection between the hours of 10 a.m. and 12 noon on weekdays other than national holidays and shall also be produced at the commencement of each Annual General Meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.

POWERS AND DUTIES OF DIRECTORS

Powers

82. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not required to be exercised by the Company in General Meeting, subject to the provisions of these Articles and of the Statutes and to such regulations as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article.

Pensions, etc.

83. Without prejudice to the generality of the last preceding Article, the Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been employed by or in the service of the Company (including Directors who have held any executive office under the Company) and to the wives, husbands, widows, widowers, children and other relatives and dependants of any such persons, and may set up, establish, join with other companies (being Subsidiaries or companies with which it is associated in business), support and maintain pension, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of such persons or any of them or any class of them. Any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit. Any such pension or the participation in any such funds or schemes may, as the Directors consider desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

Subsidiaries

84. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on as or through one or more Subsidiaries, and they may, on behalf of the Company, make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such Subsidiary or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to

act as directors, managing directors or managers of any such Subsidiary or any other company in which the Company may be interested and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any persons so appointed, and any Directors of the Company may retain any remuneration so payable to them.

Attorneys

85. The Directors may from time to time and at any time by power of attorney executed under the Seal or otherwise by the Company as its deed appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys 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 powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may decide and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

Seal for use abroad

86. The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

Overseas Branch Register

87. The Company may exercise the powers conferred upon the Company by Section 362 of the Act with regard to the keeping of an Overseas Branch Register, and the Directors may (subject to the provisions of that Section) make and vary such regulations as they may think fit respecting the keeping of any such register.

Authorisation of signatures and acceptances

88. 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 shall from time to time determine.

BORROWING POWERS AND DEBENTURES

89.1 Subject to the provisions of this Article, the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.

89.2 The aggregate amount owing by the Company and all its Subsidiaries in respect of moneys borrowed by them or any of them (exclusive of moneys owing by the Company to any of its Subsidiaries or by any of its Subsidiaries to the Company or another of its

Subsidiaries) shall not at any time without the previous sanction of the Company in General Meeting exceed an amount equal to two times the aggregate of:-

- 89.2.1 the amount paid up or credited as paid up on the issued share capital of the Company; and
- 89.2.2 the amounts standing to the credit of the capital and revenue reserves (including any share premium account and capital redemption reserve) of the Company and its Subsidiaries, plus or minus any credit or debit balance on profit and loss account

all as shown in a consolidation of the then latest audited balance sheets of the Company and its Subsidiaries but after:-

- 89.2.3 making such adjustments as may be appropriate in respect of any variation in the interest of the Company in Subsidiaries and in such paid up share capital and reserves since the dates of the relevant balance sheets; and
- 89.2.4 deducting the amount of any distributions not attributable to the Company out of profits (whether of a capital or revenue nature) accrued prior to the dates of such balance sheets which have been made, declared, or recommended since such dates and were not provided for in the balance sheets;
- 89.2.5 deducting amounts attributable to goodwill or other intangible items;

89.3 For the purposes of this Article, the expression "moneys borrowed" includes the following, except in so far as otherwise taken into account:-

- 89.3.1 the principal amount (together with any fixed or minimum premium payable on final repayment) owing by the Company or any of its Subsidiaries under any debenture, debenture stock, bond or other security whether constituting a charge over the assets of such company or not, and whether issued for cash or otherwise;
- 89.3.2 the principal amount owing by the Company or any of its Subsidiaries under any acceptance credit opened on its behalf by any bank, acceptance house or finance company other than acceptances relating to the purchase or sale of goods in the usual course of trading;
- 89.3.3 the principal amount owing by the Company or any of its Subsidiaries in respect of any loan or advance from, or overdraft facility with, any bank, acceptance house or finance company;
- 89.3.4 the principal amount owing by the Company or any of its Subsidiaries under or in respect of any hire purchase agreement, finance lease (as defined in Statement of Standard Accounting Practice 21), conditional sale

agreement, credit sale agreement or other agreement of a similar nature;

- 89.3.5 any deferred payment facilities from suppliers (which shall mean inter alia all trade credit in excess of [90] days granted to or taken by the Company or any of its Subsidiaries);
- 89.3.6 the nominal amount of any issued share capital and the principal amount of any borrowings (together, in each case, with any fixed or minimum premium payable on final repayment) the repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its Subsidiaries and the beneficial interest in which is not owned by the Company or another of its Subsidiaries;
- 89.3.7 the nominal amount (including any fixed or minimum premium payable on final repayment) of any issued share capital, other than equity share capital, of any Subsidiary of the Company the beneficial interest in which is not owned by the Company or another of its Subsidiaries;

but shall not include:-

- 89.3.8 borrowings which are made for the express purpose of repaying the whole or any part of moneys borrowed falling to be taken into account for the purpose of this Article (including any fixed or minimum premium payable on final repayment) and which are to be applied for that purpose within one month of being first borrowed (in which event they shall thereafter be treated as moneys borrowed falling to be taken into account for the purpose of this Article);
- 89.3.9 a proportion of the borrowings of any partly owned Subsidiary (but only to the extent that an amount equivalent to such proportion exceeds the amount of any borrowings from such partly owned Subsidiary by the Company or another of its Subsidiaries) such proportion being the proportion of the issued equity share capital of such partly owned Subsidiary the beneficial interest in which is not owned directly or indirectly by the Company or another of its Subsidiaries;
- 89.3.10 borrowings by the Company or any of its Subsidiaries for the purpose of financing any contract for the sale of goods to the extent that the purchase price receivable under such contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or any other company, firm or institution carrying on similar business;

and so that:-

- 89.3.11 moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the London

spot buying rate for such currency as quoted at about 11 a.m. on the day in question by National Westminster Bank PLC;

89.3.12 any company which it is proposed shall become or cease to be a Subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a Subsidiary.

89.4 A certificate by the Auditors for the time being of the Company as to the aggregate amount of moneys borrowed which may at any one time in accordance with Article 89.2 be owing by the Company and its Subsidiaries without such sanction as is provided for in that paragraph, or as to the actual amount of moneys borrowed at any time shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

89.5 No liability or security given in respect of moneys borrowed in excess of the limit imposed by Article 89.2 shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit had been or was thereby exceeded.

89.6 The Directors shall be obliged to take all available steps (including the exercise of all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries) for securing that the aggregate amount at any time owing in respect of moneys borrowed by the Company and its Subsidiaries shall not (without the requisite sanction) exceed the limit provided for in this Article.

Bonds, debentures, etc., to be subject to control of Directors

90. Subject to the provisions of the Statutes, any debentures or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

DIRECTORS' INTERESTS

Power to hold other office

91. Subject to the provisions of these Articles and the Statutes and provided that he has disclosed to the Board the nature and extent of any material interest of his:-

91.1 a Director may hold, subject to Section 319 of the Act, any office or place of profit under the Company in conjunction with the office of Director for such period, and on such terms as to remuneration and otherwise, as the Directors may determine, and a Director or any firm in which he is interested may act in a professional capacity for the Company and he or such firm shall be entitled to remuneration for professional services as if he were not a Director. Provided that no Director or any such firm may act as Auditor to the Company;

91.2 a Director may enter into or be interested in contracts or arrangements with the Company (whether with regard to any such office or place of profit or any such acting in a professional capacity or as vendor, purchaser or otherwise howsoever) and may have or be interested in dealings of any nature whatsoever with the Company and shall not be disqualified from office thereby. No such contract, arrangement or dealing shall (subject to the provisions of the Statutes) be liable to be avoided, nor (subject as aforesaid) shall any Director so contracting, dealing or being so interested be liable to account to the Company for any profit arising out of any such contract, arrangement or dealing to which he is a party or in which he is interested by reason of his being a Director of the Company, or the fiduciary relationship thereby established.

Declaration of interest

92.1 A Director who, to his knowledge, is in any way, whether directly or indirectly, interested in any contract or arrangement or proposed contract or arrangement shall declare the nature of his interest at a meeting of the Directors in accordance with the provisions of this Article.

When declaration to be made

92.2 In the case of a proposed contract, such declaration shall be made at the meeting of Directors at which the question of entering into the contract is first taken into consideration or, if the Director concerned was not (or did not know that he was) at the date of that meeting interested in the proposed contract, at the next meeting of the Directors held after he became so interested, or knew he had become so interested. Where the Director becomes interested (or knows he is interested) in a contract after it is made, such declaration shall be made at the first meeting of Directors held after the Director concerned becomes so interested, or knows that he is so interested.

General notice

92.3 A general notice given to the Directors by a Director (if it is given at a meeting of Directors, or such Director takes reasonable steps to secure that it is brought up and read at the next meeting of Directors after it is given) to the effect that he is a member of a 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 that company or firm, shall for the purpose of this Article be deemed to be a sufficient declaration of interest in relation to any contract so made.

92.4 For the purposes of this Article 92

92.4.1 a contract or arrangement of the kind described in Section 330 of the Act made for a Director or a person connected with such Director (within the meaning of Section 346 of the Act) shall if it would not otherwise be so treated (and whether or not prohibited by that Section) be treated as a contract or arrangement in which that Director is interested.

- 92.4.2 a Director shall be deemed interested in any contract or arrangement if any person connected with him (within the meaning of Section 346 of the Act) is interested, whether directly or indirectly.

Interests of Directors in other companies

93. A Director may be or continue or may become a director or other officer or servant of, or otherwise interested in, any other company promoted by the Company or in which the Company may be in any way interested and shall not (in the absence of agreement to the contrary) be liable to account to the Company for any emoluments or other benefits received or receivable by him as director, or officer or servant of, or from his interest in, such other company.

Exercise of voting rights conferred by shares of other companies

94. Subject to Article 107, the Directors may exercise or procure the exercise of the voting rights attached to shares in any other company in which the Company is or becomes in any way interested, and may exercise any voting rights to which they are entitled as directors of any such other company in such manner as they shall in their absolute discretion think fit, save that no Director shall be entitled to vote (or be counted in a quorum) in respect of any resolution appointing himself as a director, officer or servant of such other company.

DISQUALIFICATION OF DIRECTORS

Disqualification

95. The office of a Director shall be vacated if the Director:-
- 95.1 becomes bankrupt or insolvent or compounds with his creditors generally,
- 95.2 is, or may be, suffering from mental disorder and either:-
- 95.2.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
- 95.2.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- 95.3 becomes prohibited from being a Director by reason of any order made under the Company Directors Disqualification Act 1986;
- 95.4 is convicted of an indictable offence (not being an offence which, in the opinion of the Directors, does not affect his character or position as a Director of the Company);

95.5 is absent from meetings of the Directors for a period of six months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;

95.6 he resigns his office by notice in writing left at the Office;

95.7 is removed from office under Section 303 of the Act or as provided in Article 101; or

95.8 is requested in writing by all of the other Directors to resign his office.

But any act done in good faith by a Director whose office is so vacated shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Directors' minute book stating that such Director has ceased to be a Director of the Company.

ROTATION OF DIRECTORS

Directors to retire by rotation

96. At the Annual General Meeting in every year, one-third of the Directors for the time being, or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office, the Directors to retire in each year being those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Filling vacancies

97. The Company at the Annual General Meeting at which any Director so retires in the manner aforesaid may appoint a person to the vacated office, and appoint persons to any other offices which may then be vacant. The Company may also at any Extraordinary General Meeting, on notice duly given, fill any vacancies in the office of Director, or appoint additional Directors, provided that the maximum number fixed as hereinbefore mentioned be not exceeded.

Notice of intention to propose a Director

98. No person, other than a Director retiring at the meeting or a person who is recommended by the Directors for election, shall be eligible for election to the office of Director at any General Meeting unless, not less than seven nor more than twenty-one days before the day appointed for the meeting, there shall have been left at the Office notice in writing, signed by a Member duly qualified to attend and vote at such meeting, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

If vacancies not filled

99. If at any General Meeting at which an election of Directors should take place the place of any retiring Director is not filled up, such retiring Director shall (unless a resolution for his re-election shall have been put to the meeting and lost) continue in office until the Annual General Meeting in the next year, and so on from time to time until his place has been filled, unless at any such meeting it shall be determined to reduce the number of Directors in office.

Power to fill casual vacancy

100. The Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board of Directors, but so that the total number of Directors shall not at any time exceed the maximum. Any Director so appointed shall hold office only until the next following Annual General Meeting, when he shall retire, but shall be eligible for re-election. Any Director who retires under this Article shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Removal of a Director by the Company in General Meeting

101. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution, of which special notice has been given in accordance with Section 379 of the Act, remove any Director (including a managing or other executive Director) before the expiration of his period of office (notwithstanding anything in these Articles or in any agreement between the Company and such Director but without prejudice to any claim for damages in respect of the breach of any such agreement), and may by Ordinary Resolution appoint another person in his stead.

ALTERNATE DIRECTORS

Directors may appoint an alternate Director

102. Any Director may at any time appoint another Director, or any other person approved by the Directors, to be an alternate Director of the Company and may at any time remove any alternate Director appointed by him from office. An alternate Director so appointed shall not be entitled to receive any remuneration from the Company nor be required to hold any share qualification, nor be counted in reckoning the maximum and minimum number of Directors allowed or required by these Articles, but shall otherwise be subject to the provisions of these Articles with regard to Directors. An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at any such meetings at which the Director appointing him is not personally present, and generally to perform all the functions of such appointor as a Director. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director

retires by rotation but is re-elected by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office. All appointments and removals of alternate Directors shall be effected by writing under the hand of the Director making or revoking such appointment delivered to or left at the Office.

Responsibility of alternate Director

103. Every 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.

LOCAL AND OTHER DIRECTORS

Power to appoint local Directors

104. The Directors may, from time to time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of Director (whether as local, associate, executive, group, divisional, departmental, deputy, assistant, advisory director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Act.

PROCEEDINGS OF DIRECTORS

Meetings and quorum

105.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined, two Directors shall constitute a quorum.

105.2 Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all the Directors participating in the meeting can hear each other and the Directors participating in this manner shall be deemed to be present in person at such meeting and shall accordingly be counted in the quorum and entitled to vote. Subject to the Statutes, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles, be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that fewer than two Directors or alternate Directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those

participating is assembled or, if there is no such group, where the chairman of the meeting then is.

Voting

106. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Restrictions on voting

107.1 Save as provided in the following paragraphs of this Article, 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 or 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.

107.2 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:-

- 107.2.1 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;
- 107.2.2 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 giving of security;
- 107.2.3 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;
- 107.2.4 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). For the purpose of calculating the said percentage, there shall be disregarded any shares held by him as bare or custodian trustee;

107.2.5 any proposal concerning the adoption, modification or operation of:-

107.2.5.1 a superannuation fund or retirement benefits scheme under which he may benefit; or

107.2.5.2 an employees' share scheme under which he may benefit and which does not confer on any Director any privilege or advantage not generally accorded to the employees to whom the scheme relates and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes;

107.2.6 any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

107.3 For the purposes of Articles 107.1 and 107.2 there shall be imputed to a Director any material interest of a person connected with him (within the meaning of Section 346 of the Act) and accordingly references in Article 107.2 to the Director and any interest or benefit which he has or may have or any contract or arrangement to which he is or may be a party shall include references to the interests or benefits of any such connected person, and to any contract or arrangement to which such connected person is or may be a party

107.4 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, 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 Article 107.2.4 shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

107.5 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 Director concerned have not been fairly disclosed to the meeting.

Power to alter provisions

108. The Company may, by Ordinary Resolution, suspend or relax the provisions of Article 107 to any extent or ratify any transaction not authorised by reason of a contravention of that Article.

Summoning Meetings

109. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of Directors need not be given to a Director who is not in

the United Kingdom. Notice of a Board Meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Directors that notice of Board Meetings shall during his absence be sent in writing to him at any address given by him to the Company for this purpose, whether or not out of the United Kingdom.

Directors may act notwithstanding vacancy

110. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

Chairman

111. The Directors may elect a Chairman and a Deputy Chairman of their meetings, and determine the period for which each is to hold office; but if no such Chairman be elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

Memorandum signed by all the Directors

112. A memorandum in writing signed by all the Directors for the time being entitled to receive notice of a meeting of Directors and annexed or attached to the Directors' minute book shall be as effective for all purposes as a resolution of the Directors passed at a meeting duly convened, held and constituted. Any such memorandum may consist of several documents in like form each signed by one or more of such Directors. Such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him, and need not be signed by the appointing Director if signed by his alternate.

Delegation to committees

113. The Directors may delegate any of their powers to committees, consisting of such one or more of their body as they think fit. Such committees may also consist of persons who are not Directors provided that the number of these co-opted persons shall be less than one half of the total number of the committee and no resolution of any such committee shall be effective unless the majority of the members of the committee present at such meeting are Directors. Any committee so formed shall, in the exercise of the powers so delegated and in its conduct of its meetings, conform to any regulations that may be imposed on it by the Directors. The regulations herein contained for the meetings and proceedings of Directors shall, so far as not altered by any regulations made by the Directors, apply also to the meetings and proceedings of any committee.

Acts valid although defective appointment

114. All acts done by any meeting of the Directors or of a committee of Directors, or by any persons acting as Directors or alternate Directors, shall as regards all persons dealing in good faith with the Company notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Directors or persons 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 to be a Director of the Company and had continued to be a Director or alternate Director and had been entitled to vote.

EXECUTIVE DIRECTORS

Power to appoint Executive Directors

115. The Directors may from time to time appoint one or more of their number to an executive office including the offices of chairman, vice-chairman, managing Director, joint managing Director, assistant managing Director or manager or any other salaried office for such period and on such terms as they think fit. Without prejudice to any claim a Director may have for damages for breach of any contract of service between him and the Company the appointment of any Director hereunder shall be subject to determination ipso facto if he ceases from any cause to be a Director, or (subject to the terms of any contract between him and the Company) if the Directors resolve that his term of office as an executive Director be determined.

Powers may be delegated

116. The Directors may entrust to and confer upon a Director holding such executive office as aforesaid any of the powers exercisable by them as Directors 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 but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

PRESIDENT

117. The Directors may, from time to time, appoint any person who, in their opinion, has rendered outstanding services to the Company to be President of the Company. The President shall not, by virtue of his office, be deemed to be a Director but nevertheless, by invitation of the Directors, he may attend meetings of the Directors for the purpose of giving advice and the Directors may remunerate the President in respect of advice and assistance from time to time.

SECRETARY

Secretary

118. The Directors shall appoint, and may remove at their discretion, a Secretary, and shall fix his remuneration and terms and

conditions of employment. Anything required or authorised to be done by or to the Secretary by the Statutes or these Articles 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 none, by or to any officer of the Company authorised in that behalf by the Directors.

Disqualification

119. No person shall be Secretary who is either:-

119.1 The sole Director of the Company; or

119.2 A corporation the sole director of which is the sole Director of the Company; or

119.3 The sole director of a corporation which is the sole Director of the Company.

Restriction on powers of Director who holds office as Secretary

120. A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

AUTHENTICATION OF DOCUMENTS

121.1 Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

121.2 A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

MINUTES

Minutes to be made

122. The Directors shall cause minutes to be made in books provided for the purpose:-

122.1 of all appointments of officers made by the Directors;

122.2 of the names of the Directors present at each meeting of

the Directors and of any committee of the Directors; and

122.3 of all resolutions and proceedings at all meetings of the Company and the holders of any class of shares in the Company and of Directors and of committees of Directors.

THE SEAL

Seal and sealing

123.1 The Directors shall provide for the safe custody of the Seal. The Seal shall not be affixed to any instrument except by the express authority of a resolution of the Directors or of a committee of the Directors and in the presence of at least one Director and of the Secretary, or of such other person as the Directors may appoint for the purpose, and that Director and Secretary, or other person as aforesaid, shall (subject to the provisions of Article 9) sign every instrument to which the Seal is so affixed in their presence.

Provided that certificates for stock and shares of the Company and (subject to the terms or conditions of issue thereof) debenture stock or other forms of security may at the discretion of the Directors be issued without any such signature or counter-signature if the system of controlling the affixing of the Seal thereto and (where appropriate) the mechanical signature or signatures thereon is approved by the Auditors, Transfer Agents or Bankers of the Company.

123.2 Any instrument expressed to be executed by the Company and signed by two Directors or one Director and the Secretary by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Statutes) have effect as if executed under the Seal.

DIVIDENDS

Dividends; how payable

124. Subject to the Statutes and the rights of the holders of any shares entitled to any priority, preference or special privileges, and to the terms of issue of any shares, all dividends shall be declared and paid to the Members in proportion to the amounts paid up or credited as paid up on the shares held by them respectively. No amount paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall, subject as aforesaid, be apportioned and paid proportionately to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend from a particular date or *pari passu* as regards dividends with a share already issued it shall rank accordingly.

Directors to recommend Company to declare dividend

125. The Directors shall lay before the Company in General Meeting a recommendation as to the amount (if any) which they consider should be paid by way of dividend, and the Company in General Meeting

may declare the dividend to be paid, but such dividend shall not exceed the amount recommended by the Directors.

Dividends only out of profits

126. No dividend or interim dividend shall be paid otherwise than out of profits available for distribution in accordance with the provisions of the Statutes.

Interim dividends

127. The Directors may from time to time pay to the Members, or any class of Members, such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the capital of the Company is divided into different classes of shares 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 or special rights with regard to dividends and provided that the Directors act bona fide they shall not incur any responsibility to the holders of any shares for any damage that they may suffer by reason of the payment of an interim dividend on any shares. 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 that the profits justify the payment.

Lien

128.1 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

128.2 The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares contained in these Articles entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

Method of Payment of Dividends

129.1 Any dividend or other money payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the Register or to such person and to such address as the person or persons entitled may in writing direct. Every cheque or warrant shall be made payable to, or to the order of, the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque or warrant shall be a good discharge to the Company. Any such dividend or other money may also be paid by any other method (including direct debit and bank transfer) which the Directors consider

appropriate. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share.

129.2 The Company may cease to send any cheque or warrant (or to use any other method of payment) for any dividend payable in respect of a share if, in respect of at least two consecutive dividends payable on that share, the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed) but, subject to the provisions of these Articles, shall recommence sending cheques or warrants (or using another method of payment) for dividends payable on that share if the person or persons entitled so request.

Dividends not to bear interest

130. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

Distribution of assets in kind

131. A General Meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same as they think fit and, in particular (but without limitation) may issue fractional certificates (or ignore fractions) and fix the value for distribution of any assets, and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members, and may vest any assets in trustees.

Purchase of assets from a past date

132. Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date at a price fixed wholly by reference to the value of such asset, business or property at the past date and without any addition or reduction in respect of subsequent transactions upon the terms that the Company shall as from that date take the profits and bear the losses thereof, the actual profit or loss as the case may be so accruing to the Company may at the discretion of the Directors be credited or debited wholly or in part to revenue account and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly.

Unclaimed dividends

133. Payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of 12 years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

RESERVE FUND

Reserve Fund

134. Before recommending a dividend the Directors may set aside any part of the net profits of the Company to a reserve fund, and may apply the same either by employing it in the business of the Company or by investing it in such manner as they think fit, and the income arising from such reserve fund shall be treated as part of the gross profits of the Company. Such reserve fund may, subject to the Statutes, be applied for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund, equalising dividends, paying special dividends or bonuses, or for any other purpose for which the profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profits which they shall not think fit to divide or to place to reserve.

CAPITALISATION OF RESERVES

Capitalisation of Reserves

135. Subject to the provisions of the Statutes, the Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve funds or reserve accounts (including any undistributable reserves) or to the credit of the profit and loss account (not being required for the payment of or provision for any fixed preferential dividend), and accordingly that such sum be applied on behalf of the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and issued credited as fully paid up to and among such Members in the proportion aforesaid or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. Provided that a share premium account and a capital redemption reserve 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 shares.

Appropriations by Directors

136. Whenever such a resolution shall have been passed the Directors shall make all appropriations and applications of the amount resolved to be capitalised, 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 provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures which would otherwise be issued in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares

or debentures to which they may be entitled 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 amount 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.

Scrip Dividends

137.1 Subject to approval by the Company in General Meeting and subject as hereinafter provided, the Directors may at their discretion resolve (at the same time as they resolve to recommend or to pay any dividend on any shares in the capital of the Company) that the Members will have the option to elect to receive in lieu of such dividend (or part thereof) an allotment of additional Ordinary Shares in the capital of the Company credited as fully paid provided that:-

137.1.1 an adequate number of unissued Ordinary Shares in the capital of the Company is available for this purpose;

137.1.2 the approval by the Company in General Meeting may only be given in respect of a specified dividend or of any dividends declared or to be declared or paid in respect of a specified financial year.

137.2 The number of Ordinary Shares in the capital of the Company to be allotted in lieu of any amount of dividend as aforesaid shall be determined by the Directors so that the value of such shares shall equal (as nearly as possible without exceeding) such amount and for this purpose the value of an Ordinary Share shall be deemed to be the average of the middle market quotations of such shares as shown in the Daily Official List of the London Stock Exchange (adjusted as below) on the ex-dividend date and on the next four business days and each such middle market quotation as is not "ex-dividend" shall be adjusted by deducting therefrom the cash amount of such dividend per share.

137.3 The Directors, after determining the maximum number of Ordinary Shares in the capital of the Company to be allotted as aforesaid, shall give notice in writing to the Members of the option to elect accorded to them and shall send with such notice forms of election which 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

137.4 Following the receipt of a notice or notices of election pursuant to Article 137.3 the Directors shall allot to the holders of those shares in respect of which the share election has been or is duly exercised in lieu of the dividend (or that part of the dividend in respect of which the right of election has been accorded) such number of additional Ordinary Shares in the capital of the Company determined as aforesaid and for such purpose the Directors shall appropriate and capitalise out of any reserve or fund (including any share premium account or capital redemption reserve or profit and loss account) as they shall determine an amount equal to the aggregate nominal amount of the additional Ordinary Shares so to be allotted and apply the same in

paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst those Members who have given notices of election as aforesaid, such additional Ordinary Shares to rank pari passu in all respects with the fully paid Ordinary Shares in the capital of the Company then in issue save only as regards participation in the relevant dividend.

137.5 The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

137.6 The Directors may on any occasion determine that rights of election shall not be made available to any Members 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 construed subject to such determination.

ACCOUNTS

Accounts to be kept

138. The Directors shall cause proper books of account (being such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions) to be kept with respect to:-

138.1 all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure took place;

138.2 all sales and purchases of goods by the Company; and

138.3 the assets and liabilities of the Company.

Limitation of right to inspect

139. The books of account shall be kept at the Office, or (subject to the provisions of Section 222 of the Act) at such other place or places as the Directors may determine, and shall always be open to the inspection of the Directors. The Directors may from time to time determine whether and to what extent and at what times and places, and on what conditions, the books and accounts of the Company, or any of them, shall be open to the inspection of the Members (not being Directors), and the Members shall have only such rights of inspection as are given to them by the Statutes or by such resolution as aforesaid.

Production of accounts

140. 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 referred to in the Statutes.

Copies

141. A copy of every balance sheet, Directors' report and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report, shall, not less than twenty-one clear days before the date of the meeting, be sent to every Member (whether he is or is not entitled to receive notices of General Meetings of the Company), every holder of debentures of the Company (whether he is or is not so entitled), and all other persons so entitled. Provided always that if and to the extent permitted by the Statutes the Company need not despatch copies of these documents to Members, but may instead send to them (or certain of them) summaries of such financial statements or other documents. In addition this Article shall not require a copy of such documents to be sent to any person to whom, by virtue of Section 238(2) of the Act, the Company is not required to send the same. There shall also be sent to each stock exchange on which the shares of the Company are dealt in or listed the number of copies of the aforesaid documents required by such exchange.

AUDIT

Auditors to be appointed

142. Auditors shall be appointed and their duties regulated in the manner provided by the provisions of the Statutes.

All acts to be valid

143. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

Power to attend certain General Meetings

144. The Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any Member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

NOTICES

Notice, how served

145. A notice may be served by the Company upon any Member

either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address.

Members out of United Kingdom

146. No Member shall be entitled to have a notice served on him at any address not within the United Kingdom but any Member whose registered address is not within the United Kingdom may, by notice in writing, require the Company to register an address within the United Kingdom which, for the purpose of the service of notices, shall be deemed to be his registered address. A Member who has no registered address within the United Kingdom and has not given notice as aforesaid shall not be entitled to receive any notices from the Company. Any notice may be given to a Member by reference to the register of Members as it stands at any time within fifteen days before the notice is given, and no change in the register after that time shall invalidate the notice.

Time of service of notice

147. Any notice sent by first class post shall be deemed to have been served on the day after the same shall have been posted and, if sent by second class post, on the second day thereafter; and, in proving such service, it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and posted.

Notice to be given in case of death or bankruptcy of a member

148. A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to him by name, or by the title of the representative or representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the United Kingdom supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

SUSPENDED OR CURTAILED POSTAL SERVICES

149. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by notice advertised on the same date in at least two leading daily newspapers, at least one of which shall be a national daily newspaper, with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by post if, at least seven days prior to the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

PROVISION FOR EMPLOYEES

150. The power conferred upon the Company by Section 719 of the

Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any Subsidiary shall only be exercised by the Company with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require either:-

150.1 the prior consent in writing of the holders of three fourths of the issued shares; or

150.2 the prior sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares, of each class in accordance with the provisions of these Articles.

INDEMNITY

151. The Directors, executive Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and their respective executors or administrators shall be indemnified and secured harmless out of the assets of the Company from and against any liability incurred by them to the extent permitted by the Statutes. Further, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any such Director or other officer or Auditor to the extent permitted by the Statutes.

WINDING UP

Distribution of assets in winding up

152. If the Company shall be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied, first, in repaying to the Members the amounts paid up on the shares held by them respectively, and the balance (if any) shall be distributed among the Members in proportion to the number of shares held by them respectively. Provided always that the provisions hereof shall be subject to the rights of the holders of shares (if any) issued upon special conditions.

Assets may be distributed in specie

153. In a winding up, any part of the assets of the Company, including any shares in or securities of other companies, may, with the sanction of an Extraordinary Resolution of the Company, be divided among the Members of the Company in specie, or may, with the like sanction, be vested in trustees for the benefit of such Members, 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 whereon there is any liability.

SUSPENSION OF VOTING RIGHTS

154.1 For the purpose of this Article:-

"the 1982 Act"	means the Insurance Companies Act 1982 or any statutory provision amending supplementing or re-enacting the same
"associate", "controller" and "Secretary of State"	shall have the meanings respectively attributed to them for the purposes of the 1982 Act
"relevant person"	means any member who holds shares the voting rights in respect of which (whether exercisable by that member or by another person) are, or may be, taken into account for the purpose of constituting any person a voting controller in relation to the Company or any of its Subsidiaries including, for the avoidance of doubt, the voting controller
"voting controller"	a person who is a controller of the Company or any of its Subsidiaries by reason of such person (and/or any associate of such person) holding shares in the Company

154.2 If:-

154.2.1 any person is or becomes a voting controller; and

154.2.2 the Directors become aware either:

154.2.2.1 that the fact of such person being a controller may adversely affect continuance of any authorisation previously granted by the Secretary of State to the Company or any of its Subsidiaries and then subsisting or may involve an adverse alteration in the conditions or requirements attached to continuance of any such authorisation; or

154.2.2.2 that the circumstances in which such person has become a controller have involved a breach of the 1982 Act (including breach of any notification obligation)

then the Directors may, at any time thereafter, by giving notice (a "direction notice") to any relevant person (such direction notice to be conclusive against such relevant person and its validity not to be questioned by any such

person) direct, with effect from the service of the direction notice, that the voting rights attributable to shares held by such relevant person will, in respect of such number of shares ("excess shares") as the Directors may determine to be necessary so as to ensure that the voting controller ceases (by reason of suspension of voting rights attached to the excess shares) to be a controller, be suspended and any relevant person to whom a direction notice is given shall accordingly (but subject to the provisos below) not be entitled in respect of such excess shares to attend or vote (either in person or by proxy) at any general meeting or at any separate general or class meeting of the holders of that class of shares or to exercise any other right conferred by membership in relation to any such meeting Provided however that:

154.2.2.3 any such direction notice shall cease to have effect upon the Secretary of State indicating to the Directors that the fact that the voting controller is a controller does not adversely affect the continuance of or conditions or requirements attached to any relevant authorisation; and

154.2.2.4 any such direction notice shall cease to apply to the extent that the relevant person provides evidence to the satisfaction of the Directors that the number of excess shares which is subject to the direction notice exceeds the number which is necessary so as to ensure that the voting controller ceases (by reason of suspension of voting rights attached to the excess shares) to be a controller.