



No. 2801424

THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

(As altered by Special Resolution passed on 2 June 1997)

OF

PORTFOLIO HOLDINGS LIMITED

- 1 The name of the Company is " PORTFOLIO HOLDINGS LIMITED ".
- 2 The registered office of the Company will be situated in England and Wales.
- 3 The object of the Company is to carry on business as a general commercial company. In particular, but without prejudice to the generality of the foregoing, the Company has the following objects:
  - <sup>1</sup>(a) (i) To carry on business as a holding company and acquire and hold shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and

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<sup>1</sup> The principal objects of the Company in Clause 4(a) were changed by Special Resolution dated 25th June 1993.

securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted for carrying on business, and shares, stocks, debentures, debenture stocks, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or a public body, whether at home or abroad, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient of any of the Company's investments for the time being; and

- (ii) to act as the holding and co-ordinating company of the group of companies of which the Company is for the time being the holding company.
- (b) To purchase, take on lease or in exchange, hire or otherwise acquire and hold, for any estate or interest, and manage any lands, buildings, servitudes, easements, rights, privileges, concessions, machinery, plant, stock-in-trade and any heritable or moveable real or personal property of any kind.
- (c) To purchase or otherwise acquire, dispose of, protect, extend and renew any patents, registered designs, trade marks and service marks (whether registered or not), copyright, design right or any similar property rights, including those subsisting in inventions, designs, drawings, performances, computer programmes, semi-conductor topographies, confidential information, business names, goodwill and the style of presentation of goods or services and applications for protection thereof, which may seem to the Company capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, receive or grant licences in respect of or otherwise turn to account any of the same for any purpose whatsoever, whether manufacturing or otherwise, which the Company may think calculated directly or indirectly to achieve these objects.

- (d) To form, promote, subsidise and assist companies, syndicates or other bodies of all kinds and to issue on commission or otherwise underwrite, subscribe for and take or guarantee the payment of any dividend or interest on any shares, stocks, debentures or other capital or securities or obligations of any such companies, syndicates or other bodies, and to pay or provide for brokerage commission and underwriting in respect of any such issue.
- (e) To enter into partnerships or into any arrangement for sharing profits, union of interests, co-operation or otherwise with any person or company for the purpose of carrying on business within any of the objects of the Company.
- (f) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (g) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, body or company carrying on any business which this Company is authorised to carry on, or possessed of property, assets or rights suitable for any of the objects of the Company.
- (h) To develop, work, improve, manage, lease, mortgage, charge, pledge, turn to account or otherwise deal with all or any part of the property, assets or rights of the Company; to surrender or accept surrender of any lease or tenancy or rights; and to sell or deal with the property, assets, business, rights or undertaking of the Company, or any part thereof, and for such consideration and on such terms as the Company may think fit, and including for cash or shares, debentures or securities of any other company.
- (i) To build, construct, erect, maintain, alter, replace or remove any buildings, works, offices, erections, plant, machinery, tools, equipment or otherwise as may seem desirable for any of the businesses or in the interests of the Company;

and to manufacture, buy, sell, lease or otherwise acquire and generally deal in any plant, tools, machinery, goods or things of any description which may be conveniently dealt with in connection with any of the Company's objects.

- (j) To manage and conduct the affairs of any companies, firms, bodies and persons carrying on business of any kind whatsoever, and in any part of the world.
- (k) To enter into, carry on and participate in financial transactions and dealings and operations of all kinds; and to take any steps which may be considered expedient for carrying into effect such transactions, dealings and operations including, without prejudice to the generality of the foregoing, borrowing and lending money and entering into contracts and arrangements of all kinds.
- (l) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, shares or other securities, perpetual or otherwise, and, if the Company thinks fit, charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares or securities of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance or pledge.
- (m) To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets and rights present and future and uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever

including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by section 736 of the Companies Act 1985) or a subsidiary undertaking (as defined by section 258 of the Companies Act 1985) of the Company or of the Company's holding company or is controlled by the same person or persons as control the Company or is otherwise associated with the Company in its business.

- (n) To grant indemnities of every description and to undertake obligations of every description.
- (o) To make, draw, accept, exchange, endorse, negotiate, execute and issue promissory notes, bills of exchange or other negotiable instruments or payment orders and to receive money on deposit or loan.
- (p) To pay all or any expenses incurred in connection with the formation and promotion and incorporation of the Company and to pay commission to and remunerate any person or company for services rendered in underwriting or placing, or assisting to underwrite or place, any of the shares in the Company's capital or any debentures or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- (q) To pay for any property or rights acquired by the Company in such manner as the Company may think fit, including payment either in cash or in fully or partly paid-up shares with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (r) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company in such manner as the Company may think fit, including payment either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred

or preferred rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

- (s) Subject to the provisions of the Companies Act 1985, to:
  - (i) remunerate or undertake to remunerate any person, firm or company rendering services to the Company, whether by cash payment or by the allotment to him it or them of shares or securities of the Company credited as paid in full or in part or otherwise; and
  - (ii) give financial assistance (within the meaning of section 152(1)(a) Companies Act 1985).
- (t) To make loans or donations, either of cash or of other assets whatsoever, to or enter into any arrangements whatsoever for the benefit of such persons and in such cases as the Company may think directly or indirectly conducive to any of its objects or otherwise expedient.
- (u) To distribute among the members in specie any property of the Company or any proceeds of sale, disposal or realisation of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (v) To subscribe for, purchase or otherwise acquire, take, hold, or sell any shares or stock, bonds, debentures or debenture stock, or other securities or obligations of any person, firm, government or other authority or issuer (including any subsidiary of the Company) and to invest, deal with or lend any of the moneys of the Company in such manner, with or without security and on such terms as the Company may think fit.

- (w) To amalgamate with any other company either the objects of which are or include objects similar to those of the Company or which is possessed of property, assets or rights suitable for any of the purposes of the Company, and on any terms whatsoever.
- (x) To procure the Company or any branch or representative of the Company to be registered or recognised in any country or place abroad or with any applicable regulatory authority in any part of the world.
- (y) To obtain any provisional or other order or Act of Parliament of the United Kingdom or of the legislature of any other State or jurisdiction for enabling the Company to carry any of its objects into effect, or for effecting any modifications to the Company's constitution, or for any other purpose which may seem expedient, and to oppose or make representations in connection with any proceeding, proposal or application which may seem calculated, directly or indirectly, to prejudice the Company's interests.
- (z) To appoint any person or persons, firm or firms, company or companies to be the attorney or agent of the Company and to act as agents, managers, secretaries, contractors or in similar capacity.
- (aa) To insure the life of any person who may, in the opinion of the Company, be of value to the Company as having or holding for the Company interests, goodwill or influence or other assets and to pay the premiums on such insurance.
- (ab) To establish and maintain or procure the establishment and maintenance of contributory or non-contributory pension or superannuation funds for the benefit of the persons referred to below, to grant emoluments, pensions, allowances, donations, gratuities, loans and bonuses to such persons and to make payments for or towards insurance on the life or lives of such persons; to establish, subsidise, subscribe to or otherwise support any institution, association, society,

club, trust, other establishment, or fund, the support of which may, in the opinion of the Company, be calculated directly or indirectly to benefit the Company or any such persons, or may be connected with any place where the Company carries on business; to institute and maintain any institution, association, society, club, trust or other establishment or profit-sharing scheme, share incentive scheme or employees' share scheme calculated to advance the interests of the Company or to benefit such persons; to institute and maintain or assist in the institution or maintenance of any scheme calculated to promote the purchase or holding of shares of or securities in the Company by the public, any section thereof or such persons; and, subject to the provisions of the Companies Acts 1985 and 1989, to lend money or make payments to, or guarantee or give an indemnity in respect of, or give any financial or other assistance to, any such persons or trustees on their behalf or any other person, for the purposes of, or to facilitate the institution or maintenance of, any such scheme; to join, participate in and subsidise or assist any association of employers or employees or any trade association; and to subscribe or guarantee money for charitable or benevolent objects or for any public, general or useful object or for any exhibition; the said persons are any persons who are or were at any time in the employment or service of the Company or any of its businesses or of any company which was or is for the time being the holding company or a subsidiary (both as defined by section 736 Companies Act 1985) or a subsidiary undertaking (as defined by section 258 Companies Act 1985) of the Company or of the Company's holding company or are or were otherwise associated with the Company or any of its businesses or who are or were at any time executive directors or executive officers of the Company or of such other company as aforesaid, or holding or who hold or has held any salaried employment or office in the Company or such other company, and the families (including former spouses) of them or any person who is or was dependant on them.

- (ac) To purchase and maintain insurance for the benefit of any persons who are or were at any time directors, officers or employees of the Company or any other company which is a subsidiary or subsidiary undertaking of the Company or in

which the Company has any interest, whether direct or indirect, or who are or were at any time trustees of any pension fund in which any employee of the Company or of any other such company or subsidiary undertaking are or have been interested indemnifying such persons against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may be lawfully insured against.

- (ad) To take, make, execute, enter into, commence, carry on, prosecute or defend all steps, claims, demands, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes, and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.
- (ae) To do all or any of the above things in any part of the world and either as principals, agents, attorneys, contractors, trustees, or otherwise, and either alone or in conjunction with others.
- (af) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that:

- (a) the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and whether now existing or hereafter to be formed; and
- (b) the objects set forth in each sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by application of the ejusdem generis rule

or by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company; none of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

- 5 The liability of the members is limited.
- 6 The share capital of the Company is £5,050,000 divided into 43,750 "A" Ordinary Shares of £1 each, 6,250 "B" Ordinary Shares of £1 each, 4,875,000 "A" Preference Shares of £1 each and 125,000 "B" Preference Shares of £1 each.<sup>2</sup>

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<sup>2</sup> The share capital of the Company was increased to £5,050,000 by the creation of 4,875,000 "A" Preference Shares of £1 each and 125,000 "B" Preference Shares of £1 each by an ordinary resolution dated 25th June 1993.

No. 2801424

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

PORTFOLIO HOLDINGS LIMITED

(Adopted by Special Resolution passed on 2 June 1997 )

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1 Preliminary

1.1 In these Articles:

"the Act" means the Companies Act 1985 (as amended);

"the Auditors" means the auditors for the time being of the Company;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and references to regulations are to regulations in Table A; and

"the Statutes" means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act for the time being in force concerning companies and affecting the Company.

- 1.2 Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company.
- 1.3 Regulations 38, 69, 73 to 78 inclusive, 87, 101 and 118 shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

## 2 Shares

- 2.1 The share capital of the Company at the date of adoption of these Articles is £5,050,000 divided into 43,750 "A" Ordinary Shares of £1 each ("A" Ordinary Shares"), 6,250 "B" Ordinary Shares of £1 each ("B" Ordinary Shares"), 4,875,000 "A" Cumulative Redeemable Preference Shares of £1 each ("A" Preference Shares") and 125,000 "B" Cumulative Redeemable Preference Shares of £1 each ("B" Preference Shares").
- 2.2 The rights and privileges attaching to the "A" Preference Shares and the "B" Preference Shares (the "Preference Shares") shall be as follows:

### (A) Income

Subject as hereinafter provided, the holders of the Preference Shares shall be entitled to receive, out of the profits which the Directors may determine to distribute in respect of any financial year or other period for which audited accounts shall be made up, a fixed cumulative preferential dividend at the rate of 6 per cent. per annum (exclusive of any associated tax credit available to shareholders) on the nominal

amount of each Preference Share held by them respectively, such dividend to accrue from day to day as from and including the date of allotment of each such Preference Share until the date of redemption. Any such dividend shall be payable half-yearly on 30th June and on 31st December in each year after the date of allotment of such Preference Share.

The "A" Preference Shares shall rank for dividend in priority to any other shares in the capital of the Company (so that no dividend shall be paid on any of such other shares unless the said fixed preferential dividend on the "A" Preference Shares shall have been paid up to date), but shall not entitle the holders thereof to any further or other right of participation in the profits of the Company.

The "B" Preference Shares shall rank for dividend in priority to any other shares in the capital of the Company other than the "A" Preference Shares (so that no dividend shall be paid on any of such other shares other than the "A" Preference Shares unless the said fixed preferential dividend in the "B" Preference Shares shall have been paid up to date) but shall not entitle the holders thereof to any further or other right of participation in the profits of the Company.

(B) Capital

Subject as hereinafter provided, on a distribution of assets on a winding-up or other return of capital, the holders of the Preference Shares shall be entitled to receive, out of the surplus assets of the Company remaining after payment of its liabilities, an amount equal to the nominal amount of the Preference Shares held by them respectively, together with all arrears (if any) of the said fixed dividend due on such Preference Shares, whether or not such dividend has been earned or declared.

The "A" Preference Shares shall rank on a distribution of assets on a winding-up or other return of capital in priority to any other shares in the capital of the Company (so that no distribution shall be made on any of such other shares unless all amounts to which the holders of the "A" Preference Shares shall be entitled shall have been distributed to such holders), but shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

The "B" Preference Shares shall rank on a distribution of assets on a winding-up or other return of capital in priority to all other shares in the capital of the Company other than the "A" Preference Shares (so that no distribution shall be made on any of such other shares other than the "A" Preference Shares unless all amounts to which the holders of the "B" Preference Shares shall be entitled shall have been distributed to such holders), but shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

(C) Voting and General Meetings

(1) The holders of the "A" Preference Shares (as holders of "A" Preference Shares) shall be entitled to receive notice of any General Meeting of the Company but shall not be entitled:-

- (i) to vote upon any resolution (other than a resolution for winding-up the Company or a resolution varying, modifying, altering or abrogating any of the rights, privileges, limitations or restrictions attached to the "A" Preference Shares) unless, at the date of the Notice convening the Meeting at which the resolution is to be proposed, the said fixed dividend or any part thereof shall be at least six months in arrears, whether or not there were sufficient profits available out of which the dividend

could have been paid, or the Company shall have failed to redeem on 31st December, 2002 the Preference Shares in issue on that date pursuant to paragraph (D) below; or

- (ii) to attend at any General Meeting of the Company unless the business of the Meeting includes the consideration of a resolution upon which such holders are entitled to vote.
- (2) The holders of the "B" Preference Shares (as holders of "B" Preference Shares) shall be entitled to receive notice of any General Meeting of the Company but shall not be entitled:-
  - (i) to vote upon any resolution (other than a resolution for winding-up the Company or a resolution varying, modifying, altering or abrogating any of the rights, privileges, limitations or restrictions attached to the "B" Preference Shares) unless, at the date of the Notice convening the Meeting at which the resolution is to be proposed, the said fixed dividend or any part thereof shall be at least six months in arrears, whether or not there were sufficient profits available out of which the dividend could have been paid, or the Company shall have failed to redeem on 31st December, 2002 the Preference Shares in issue on that date pursuant to paragraph (D) below; or
  - (ii) to attend at any General Meeting of the Company unless the business of the Meeting includes the consideration of a resolution upon which such holders are entitled to vote.
- (3) For the purpose of sub-paragraphs 1 and 2 the said fixed dividend shall be deemed to be payable half yearly on 31st June and 31st December.

- (4) Whenever the holders of the Preference Shares shall be entitled hereunder to vote upon any resolution, on a show of hands every holder of Preference Shares who (being an individual) is present in person or (being a corporation) is present by a representative or proxy (who need not be a member of the Company) shall have one vote and on a poll every such holder who is present in person or by proxy shall be entitled to exercise one vote in respect of each fully paid Preference Share registered in the name of such holder.
- (5) Any alteration to or sanction in General Meeting in respect of the borrowing limit from time to time imposed on the Board by these Articles which shall be made or given, and any resolution for the reduction of the share capital of the Company or any uncalled liability in respect thereof or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Statutes or for the purchase by the Company of any of its own shares passed, after the date of the adoption of this Article shall be deemed to be a variation of the rights attached to the "A" Preference Shares.
- (6) The variation, modification, alteration or abrogation of the rate of dividend payable on, or of the terms and conditions for the conversion or redemption of, the "B" Preference Shares and the creation or issue of further Preference Shares pursuant to paragraph (E) below shall be deemed not to be a variation, modification, alteration or abrogation of any of the rights, privileges, limitations or restrictions attached to the "A" Preference Shares.

(D) Redemption

(1) Subject to the Statutes and as hereinafter provided, the Company may at its option redeem all or any of the Preference Shares on any date (not being a Saturday, Sunday or public holiday in England) prior to 31st December 2002, Provided that:

(i) subject to (ii) below, no "B" Preference Shares may be so redeemed unless either at the same time all the existing "A" Preference Shares shall also be redeemed or there are no existing "A" Preference Shares in issue;

(ii) no "A" Preference Shares may be so redeemed unless either the holders of the "B" Preference Shares unanimously agree or on the occasion of any such redemption 97.5 per cent. of the Preference Shares so redeemed shall be "A" Preference Shares and 2.5 per cent. of the Preference Shares so redeemed shall be "B" Preference Shares.

(2) Subject to the Statutes and as hereinafter provided, the Company shall redeem on 31st December 2002 all of the Preference Shares then in issue, Provided that if on that date the Company shall be unable lawfully to redeem all of the Preference Shares the Company shall:

(i) on such date redeem all of the "A" Preference Shares then in issue or so many thereof as it shall be able to redeem lawfully;

(ii) subject to having redeemed all of the "A" Preference Shares, on such date redeem so many of the "B" Preference Shares as it shall be able to redeem lawfully;

(iii) as soon as it shall lawfully be able to do so after such date, redeem the "A" Preference Shares not redeemed on such date (if any); and

(iv) subject to having redeemed all of the "A" Preference Shares, as soon as it shall lawfully be able to do so after such date, redeem the "B" Preference Shares not redeemed on such date.

(3) The amount payable on redemption of each Preference Share shall be the nominal amount paid up thereon together with a sum equal to all arrears of the fixed dividend thereon to be calculated down to and including the date fixed for redemption and to be payable irrespective of whether or not such dividend has been earned or declared.

(4) In the case of any partial redemption of Preference Shares, the Company shall, for the purpose of ascertaining the particular Preference Shares to be redeemed, cause a drawing to be made at its registered office or at such other place as the Directors may decide, which drawing shall, unless all the shares in the class of Preference Shares in respect of which the drawing is to be made shall be held by the same holder, be made in the presence of a representative of the Auditors.

(5) The Company shall give to the holders of the Preference Shares to be redeemed not less than 14 days' notice in writing of the date on which such redemption is to be effected. Such notice

shall specify the place at which the certificates for such Preference Shares are to be presented for redemption and upon such date each of such holders shall be bound to deliver to the Company at such place the certificates for such of those Preference Shares as are held by him. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.

- (6) As from the date fixed for redemption the fixed dividend shall cease to accrue on the Preference Shares to be redeemed except on any such Preference Shares in respect of which, upon due presentation of the certificate relating thereto, payment of the moneys due at such redemption shall be refused.
- (7) The receipt of the registered holder for the time being of any Preference Shares or, in the case of joint registered holders, the receipt of any of them for the moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.
- (8) Upon the redemption of any Preference Shares the nominal amount of such Preference Shares comprised in the capital of the Company shall thereafter be divided into Ordinary Shares without any further resolution or consent.

(E) Further Preference Shares

The Company may from time to time create and issue further "A" Preference Shares ranking pari passu in all respects and forming a single class with the existing "A" Preference Shares and further "B" Preference Shares ranking pari passu in all respects and forming a single class with the existing "B" Preference Shares and so that, notwithstanding any other

provision of these Articles, the creation and issue of any such further "A" Preference Shares or "B" Preference Shares shall be deemed not be a modification or abrogation of any of the rights and privileges attached to the "A" Preference Shares, the "B" Preference Shares, the "A" Ordinary Shares or the "B" Ordinary Shares.

2.3 The "A" Ordinary Shares and the "B" Ordinary Shares shall rank pari passu in all respects save that:

(A) Dividends

Provided the preferential dividend in respect of the Preference Shares has been fully paid up to date, the holders of the "A" Ordinary Shares shall be entitled to receive all the profits of the Company which the Directors may determine to distribute in respect of that financial year or other period for which audited accounts may be made up, until the dividend declared and paid on such "A" Ordinary Shares when aggregated with all preferential dividends paid on the "A" Preference Shares (in each case in respect of that and previous financial periods and inclusive of any associated tax credit available to shareholders) shall be equal to the aggregate of the sums each of which represent a gross return of 20 per cent. per annum (compounded annually) on all sums subscribed in respect of:

- (i) all existing issued "A" Ordinary Shares and "A" Preference Shares calculated in respect of each sum subscribed from and including the date such sum was so subscribed to and including the date of calculation; and
- (ii) all "A" Preference Shares that have been redeemed calculated in respect of each sum subscribed from and including the date such

sum was so subscribed to and including the date of redemption thereof.

and such return shall be called the "'A" Base Return".

Provided the preferential dividend in respect of the Preference Shares has been fully paid to date and the holders of the "A" Preference Shares and "A" Ordinary Shares have together received an amount equal to the "A" Base Return as at the end of that financial year or other period for which audited accounts have been made up, the holders of the "B" Ordinary Shares shall be entitled to receive all the additional profits of the Company which the Directors may determine to distribute in respect of that period, until the dividend declared and paid on such "B" Ordinary Shares when aggregated with all preferential dividends paid on the "B" Preference Shares (in each case in respect of that and any previous financial periods and inclusive of any associated tax credit available to shareholders) shall be equal to the aggregate of the sums each of which represents a gross return of 20 per cent. per annum (compounded annually) on all sums subscribed in respect of:

- (iii) all existing issued "B" Ordinary Shares and "B" Preference Shares calculated in respect of each sum subscribed from and including the date such sum was so subscribed to and including the date of calculation; and
- (iv) all "B" Preference Shares that have been redeemed calculated in respect of each sum subscribed from and including the date such sum was so subscribed to and including the date of redemption thereof

such return shall be called the "'B" Base Return".

(B) Capital

On a distribution of assets or a winding up or other return of capital once the holders of the Preference Shares have received the nominal amount of their shares, the sums available to be paid to the holders of "A" Ordinary Shares and "B" Ordinary Shares shall

(v) be paid in priority to the holders of the "A" Ordinary Shares alone:

(aa) until the holders of "A" Ordinary Shares have received an amount equal to the nominal amount paid up on the existing issued "A" Ordinary Shares; and

(bb) then until the holders of "A" Ordinary Shares have received a sum which when aggregated with all sums distributed to the holders of the "A" Ordinary Shares and "A" Preference Shares prior to the date of calculation (other than on that return of capital) together with all sums received by the holders of "A" Preference Shares in respect of the relevant return of capital (other than the amount referred to in 2(B) above) shall be equal to the "A" Base Return; and

(vi) thereafter be paid in priority to the holders of the "B" Ordinary Shares alone:

(aa) until the holders of the "B" Ordinary Shares have received an amount equal to the nominal amount paid upon the "B" Ordinary Shares issued; and

(bb) then until the holders of the "B" Ordinary Shares have received a sum which when aggregated with all sums distributed to the holders of the "B" Ordinary Shares and "B" Preference Shares prior to the date of calculation (other than on that return of capital) together with all sums received by the holders of the "B" Preference Shares in respect of the relevant return of capital (other than the amount referred to in 2(B) above) shall be equal to the "B" Base Return; and

(vii) (e) thereafter be distributed equally amongst the holders of "A" Ordinary Shares and the holders of "B" Ordinary Shares pro rata.

2.4 Subject to any directions which may be given by the Company in general meeting, the Directors may unconditionally exercise the power of the Company to allot securities of the Company and without prejudice to the generality of the foregoing any shares hereafter created shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.

### 3 Lien

The lien conferred by regulation 8 shall apply to:

- (a) all shares of the Company whether fully paid or not;
- (b) all shares registered in the name of any person indebted or under liability to the Company, whether he be the sole registered holder thereof or one of several joint holders;

and shall be for all indebtedness or other liability to the Company of any member.

Regulation 8 shall be modified accordingly.

#### **4     Transfer of shares**

4.1 Every holder of "A" Preference Shares, "B" Preference Shares, "A" Ordinary Shares or "B" Ordinary Shares who wishes to transfer any of his shares or to dispose of any interest therein (such holder being hereinafter referred to as a "Vendor") shall serve on the Directors of the Company a notice in writing of his wish so to do accompanied by the relevant share certificates. Such notification (hereinafter called a "Transfer Notice") shall state the number and class of shares which the Vendor desires to transfer or dispose of and shall constitute the Directors his agents for the sale of such shares (hereinafter called "the Sale Shares") at the Sale Price (as defined in Article 4.8). The Transfer Notice shall also give details of the person to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to Articles 4.2 to 4.5 (both inclusive). Save as provided in Article 4.4, a Transfer Notice once given shall not be capable of being withdrawn. A Transfer Notice may include any number of Sale Shares and, if such number is more than one, shall operate as if it were a separate notice in respect of every Sale Share comprised therein.

4.2 Within 7 days after a Transfer Notice has been received by the Directors or, if later, within 7 days after the Sale Price shall have been determined, the Directors shall serve an offer notice ("Offer Notice") giving details in writing of the number and class of the Sale Shares and the Sale Price inviting each shareholder on whom Offer Notice is served to state in writing within 21 days from the date of the Offer Notice whether he is willing to purchase any of the Sale Shares at the Sale Price and, if so, the maximum number thereof. An Offer Notice may specify only one class of shares as the Sale Shares. The Offer

Notice shall also include details of the person to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to Articles 4.2 to 4.5 (both inclusive). Where the Sale Shares are "A" Preference Shares the Offer Notice will be served on the holders of the then existing "A" Preference Shares (other than the Vendor) pro rata as nearly as may be in proportion to the numbers of "A" Preference Shares then held by such holders, and where the Sale Shares are "B" Preference Shares, the Offer Notice will be served on the holders of the then existing "B" Preference Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing numbers of "B" Preference Shares then held by such holders and where the Sale Shares are "A" Ordinary Shares the Offer Notice will be served on the holders of the then existing "A" Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the numbers of "A" Ordinary Shares then held by such holders and where the Sale Shares are "B" Ordinary Shares on the holders of the then existing "B" Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the number of "B" Ordinary Shares then held by such holders. In the event that the Vendor holds all the then existing issued shares in the class which constitute the Sale Shares, within 7 days after a Transfer Notice has been received by the Directors or, if later, within 7 days after the Sale Price shall have been determined, the Directors shall serve an Offer Notice, where the Sale Shares are "A" Preference Shares, on the holders of the then existing "B" Preference Shares, or where the Sale Shares are of "B" Preference Shares on the holders of the then existing "A" Preference Shares or where the Sale Shares are "A" Ordinary Shares on the holders of the then existing "B" Ordinary Shares or where the Sale Shares are "B" Ordinary Shares on the holders of the then existing "A" Ordinary Shares.] At the expiration of the said period the balance of any Sale Shares offered to the holders of shares of a class but not so accepted shall be offered forthwith to the holders of the shares of the class who have accepted all the shares to which they are respectively entitled who shall, if more than one, be entitled to purchase such balance of shares in the proportion as nearly as the circumstances will admit to the number of shares of the class in question (including any accepted

pursuant to the foregoing provisions of this Article) then held by each of them respectively. Such further offer shall be deemed to have been refused if not accepted within 14 days of the date of such further offer.

4.3 If the Directors do not before the expiry of the period of 21 days referred to in Article 4.2 or, where relevant, before the expiry of the additional period of 14 days referred to in Article 4.2 find holders of "A" Preference Shares willing to purchase all or any of the "A" Preference Shares offered, or holders of "B" Preference Shares willing to purchase all or any of the "B" Preference Shares offered or holders of the "A" Ordinary Shares willing to purchase all or any of the "A" Ordinary Shares offered, or holders of the "B" Ordinary Shares willing to purchase all or any of the "B" Ordinary Shares offered, the Directors shall then offer such "A" Preference Shares or the balance thereof to the holders of the then existing "B" Preference Shares or such "B" Preference Shares or the balance thereof to the holders of the then existing "A" Preference Shares or such "A" Ordinary Shares or the balance thereof to the holders of the then existing "B" Ordinary Shares or such "B" Ordinary Shares or the balance thereof to the holders of the then existing "A" Ordinary Shares and the provisions of Article 4.2 shall apply mutatis mutandis to such offer.

4.4 The Directors shall on the expiration of the periods referred to in Article 4.2 and, if applicable, Article 4.3 give notice to the Vendor of the numbers of Sale Shares which members are willing to purchase. Every such notice shall state the name and address of each proposed purchaser and the number of shares agreed to be purchased by him. If the Directors shall have found members willing to purchase some but not all of the Sale Shares, the Vendor may within 21 days of the receipt of such notice from the Directors give a counter-notice in writing to the Directors withdrawing the Transfer Notice. If the Directors shall under the preceding Articles have found members willing to purchase all the Sale Shares or if no such counter-notice shall have been given by the Vendor within the aforesaid period, the Vendor shall be bound, subject to the last sentence of Article 4.8, on receipt of the Sale Price per share, to transfer the

Sale Shares (or such of the same for which the Directors shall have found (a) purchaser(s) to the purchaser(s) specified by the Directors in accordance with this Article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors when against payment of the Sale Price and any relevant stamp duties, the purchaser(s) shall be registered as the holders of the relevant shares in the Register of Members of the Company and share certificate(s) in the name(s) of such purchaser(s) and in respect of the relevant shares shall be delivered.

- 4.5 If the Vendor, after having become bound to transfer any Sale Shares to (a) purchaser(s), makes default in so doing, the Directors shall authorise some person to execute any necessary transfers of the Sale Shares in favour of the purchaser(s) and shall enter the name(s) of the purchaser(s) in the Register of Members as the holder(s) of such of the Sale Shares as shall have been transferred to such purchaser(s) as aforesaid. The Company shall receive the purchase money on behalf of the Vendor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to any purchaser who shall not be bound to see to the application thereof, and after the name of the purchaser has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 4.6 If by the end of the applicable periods specified in Articles 4.2, 4.3 and 4.4 the Directors shall not have found purchasers for all the Sale Shares pursuant to the foregoing Articles and the Vendor shall not have given a counter-notice pursuant to Article 4.4, the Vendor shall be at liberty to sell and transfer all or any of the Sale Shares for which no purchasers shall have been found at any time within the following 6 months to any person or persons in pursuance of a bona fide sale at any price not being less than the Sale Price.
- 4.7 For the purpose of ensuring that a transfer of "A" Preference Shares, "B" Preference Shares or "A" Ordinary Shares or "B" Ordinary Shares is in

accordance with the provisions of this Article and duly authorised hereunder the Directors may require any member, the legal personal representatives of a deceased member, the trustee in bankruptcy of a bankrupt member or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter they deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request or if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any shares, the Directors shall refuse to register the transfer in question and shall be entitled to serve a Transfer Notice in respect of the "A" Preference Shares, "B" Preference Shares, "A" Ordinary Shares or "B" Ordinary Shares concerned and the provisions of these Articles shall take effect accordingly.

4.8 For the purposes of this Article the expression "the Sale Price" shall mean the price per share (if any) specified in the Transfer Notice or (if no such price is so specified) the fair value per share as the Vendor and the Directors shall agree or failing agreement as the Auditors acting as experts and not as arbitrators, shall state in writing to be in their opinion the fair selling value of the Sale Shares on the open market having regard to the fair value of the business of the Company as a going concern and on the basis of an arm's length transaction as between a willing vendor and a willing purchaser. The determination of the Auditors shall be final and binding on all concerned. The cost of obtaining the certificate of the Auditors shall be borne by the Vendor and Purchaser(s) in equal proportions and if the Vendor has not paid its proportion at the date of completion the Purchaser(s) shall deduct such amount from the consideration payable to the Vendor and shall pay the Auditors.

4.9 The provisions of Articles 4.1 to 4.8 (both inclusive) shall not apply if, in the case of a transfer of "A" Preference Shares or "B" Preference Shares, all of the holders of the "A" Preference Shares and of the "B" Preference Shares or, in

the case of a transfer of "A" Ordinary Shares or "B" Ordinary Shares, all of the holders of the "A" Ordinary Shares and of the "B" Ordinary Shares shall so agree in writing.

4.10 The provisions of Articles 4.1 to 4.9 (both paragraphs inclusive) shall not apply to:

- (a) any transfer by a member to a privileged relation of such member;
- (b) any transfer by the personal representatives of a deceased member to any widow, widower or child or remoter issue or parent or brother or sister of such deceased member;
- (c) any transfer to trustees to be held on the trusts of a family settlement or to any body corporate voting control of which is vested in one or more family settlements;
- (d) in the case of a member being a body corporate, any transfer to a member of the same group.

4.11 For the purposes of this Article:

- (a) "privileged relation" means and includes husband or wife or widower or widow and all lineal descendants and ascendants in direct line and brothers and sisters and their lineal descendants (including the husband or wife or widower or widow of any of the above persons).
- (b) Where shares have been transferred under Article 4.10(c) to trustees, the relevant shares may on a change of trustees be transferred to the trustees for the time being of the trusts concerned and Article 4.10(a) shall be deemed to permit transfers of any of the relevant shares to privileged relations of the member or former member concerned rather than to

privileged relations of any such trustee. If and whenever any of the relevant shares come to be held otherwise than on family trusts (otherwise than in connection with a transfer by the trustees authorised under this Article) the trustees shall be bound to notify the Directors in writing forthwith that such event has occurred and, if and when required in writing by the Directors so to do, to give/deemed to have given a Transfer Notice (as defined in Articles 4.1 to 4.9 (both paragraphs inclusive)) in respect of the shares concerned.

- (c) "family settlements" means any trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than a particular member or deceased or former member and his privileged relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the member concerned or a privileged relation of such member.
- (d) Where shares have been transferred under Article 4.10(d) (whether directly or by a series of transfers thereunder) from a body corporate ("the transferor company", which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group ("the transferee company") otherwise than under a scheme of reconstruction or amalgamation whereunder the transferor company is placed in liquidation and the transferee company acquires the whole or the major part of its undertaking and assets, and subsequently the transferee company ceases to be a member of the same group as the transferor company, the transferee company shall be bound to notify the Directors in writing forthwith that such event has occurred and (unless within 14 days after such event the relevant shares are transferred to the transferor company or a member of the same group as the transferor

company any such transfer only being deemed to be authorised under Article 4.10(a)) the transferee company shall be deemed to have given a Transfer Notice (as defined in Articles 4.1 to 4.9 (both paragraphs inclusive)) in respect of the relevant shares.

(e) "a member of the same group" means a company (within the meaning ascribed thereto by section 736 of the Act) which is for the time being a holding company of the transferor company or a subsidiary of the transferor company or any such holding company or a company acquiring the whole or the major part of the undertaking and assets of the transferor company under a scheme of reconstruction or amalgamation whereunder the transferor company is placed in liquidation.

(f) "the relevant shares" means and includes, so far as the same remain for the time being held by the trustees or the transferee company (as the case may be), the shares originally transferred and any additional shares issued or transferred to the trustees or the transferee company (as the case may be) by virtue of the holding of the relevant shares or any of them or the membership thereby conferred.

4.12 Notwithstanding anything contained in these Articles, the Directors may decline to register any transfer of any share on which the Company has a lien or any transfer of any share (whether or not a fully-paid share) to a person of whom they shall not approve and shall refuse to register any proposed transfer of a share other than (subject as aforesaid) a transfer made pursuant to the provisions of Articles 4.1 to 4.10 (both inclusive). Regulation 24 shall be modified accordingly.

## 5 General meetings

5.1 The words "seven weeks" shall be substituted for the words "eight weeks" in regulation 37.

5.2 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 days' notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and the Auditors.

5.3 Regulation 41 shall be modified by the insertion at the end of that regulation of the following sentence: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting may commence provided a single member is present in person, by corporate

representative or by proxy and such member shall constitute a quorum for all purposes and the meeting shall be regarded as quorate.

5.4 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

5.5 A proxy shall be entitled to vote on a show of hands and regulation 54 shall be modified accordingly.

## **6 Powers and duties of Directors**

6.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him. Regulation 94 shall be modified accordingly.

6.2 The Directors may exercise all the powers of the Company contained in clause 4(ab) of the Memorandum of Association of the Company.

## **7 Appointment, removal and disqualification of Directors**

7.1 Without prejudice to the powers of the Company under section 303 of the Act to remove a Director by ordinary resolution, the holder or holders for the time

being of more than one half of the issued Ordinary Shares shall have the power from time to time and at any time to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or (in the case of a member being a corporation) signed on its behalf by one of its directors or its secretary and shall take effect on lodgment at the registered office of the Company.

- 7.2 The office of a Director shall be vacated if he is removed from office under Article 7.1. Regulation 81 shall be modified accordingly.

## **8 Rotation of Directors**

The Directors shall not be liable to retire by rotation, and accordingly the second and third sentences of regulation 79 shall be deleted.

## **9 Proceedings of Directors**

- 9.1 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 9.2 The following sentence shall be inserted after the first sentence of regulation 72: "Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being a Director of the Company.".
- 9.3 For a signed resolution under regulation 93 to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the Articles or by law from voting thereon. Regulation 93 shall be modified accordingly.

## 10 The seal

- 10.1 If the Company has a seal, it shall only be used with the authority of the Director or a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.
- 10.2 If the Company has a common seal, the Company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may by writing under the common seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the common seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

## 11 Notices

- 11.1 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes. The third sentence of regulation 112 shall be deleted.
- 11.2 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 shall be modified accordingly.

11.3 A notice posted to an address outside the United Kingdom shall be deemed, unless the contrary is proved, to be given at the expiration of 3 days after the envelope containing it was posted and regulation 115 shall be modified accordingly.

11.4 Table A shall be further modified as follows:

- (a) in regulation 37 the words "within the United Kingdom" shall be deleted;
- (b) in regulation 66 the second sentence shall be deleted;
- (c) in regulation 112 the words "(or at such other address, whether within or outside the United Kingdom, as he may supply to the Company for that purpose)" shall be inserted after "registered address"; and
- (d) regulation 116 shall be modified by the substitution of the words "at the address, if any, whether within or outside the United Kingdom" for the words "the address, if any, within the United Kingdom".

## 12 Indemnity

Subject to the provisions of, and so far as may be consistent with, the Statutes, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are

otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.