

2844685

MA

**FRP GROUP PLC**

formerly First Residential Properties III PLC and changed  
by Special Resolutions passed on 4 May 1999 and 12 May 2000 ✓



A18  
COMPANIES HOUSE

\*A6EL5002\*

0339  
23/05/00

The Companies Acts 1985 to 1989

---

PUBLIC COMPANY LIMITED BY SHARES

---

Memorandum of Association

of

FRP GROUP PLC

formerly First Residential Properties III PLC and changed  
by Special Resolutions passed on 4 May 1999 and 12 May 2000

1. The name of the Company is FRP GROUP PLC.
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 Company's objects are:-
  - (a) (i) To carry on activities which consist of or are connected with the provision and maintenance of flats and dwelling-houses which the Company lets or intends to let on qualifying tenancies under the terms of Part III of the Finance Act 1988 or any statutory amendment or re-enactment thereof.
  - (ii) To acquire by purchase, lease, exchange or otherwise for development, letting or resale and to traffic in land and houses and other property of any tenure or any interest therein, and to create, reserve, sell and deal in freehold and leasehold ground rents, and to make advances upon the security of land or houses or other property or any interest therein, and whether erected or in course of erection, and whether or first mortgage or subject to a prior mortgage or mortgages; and generally to deal in, traffic by way of sale, lease, exchange or otherwise with land and houses property and any other property (whether real or personal) and to turn the same to account as may seem expedient, and in particular by letting the same, laying out streets, roads, and squares, constructing sewers and draining, planting, paving and preparing building sites, and by constructing, reconstructing, altering, repairing, improving, decorating, furnishing and maintaining houses, flats, bungalows, buildings, works and conveniences of all kinds, and by consolidating or connecting or subdividing properties, and by leasing and disposing of the same, and by advancing money to and entering into contracts with buildings, tenants and others; and to manage any land, buildings or other property as aforesaid, whether belonging to the Company or not, and to collect rents and income, and to supply to tenants and occupiers catering and other services and all conveniences and amenities commonly required therewith; and to carry on all or any of the businesses of building and civil engineering contractors, land, estate and property developers, repairers and jobbers, managers, surveyors, valuers and auctioneers, general farmers, builders' merchants, plant hire specialists and contractors, merchants of, and dealers in plant, machinery, vehicles and appliances of all kinds, painters, decorators and plumbers, haulage and transport contractors, electricians and general engineers.

- (b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.
- (c) To purchase or by any other means acquire and take options over and property whatever, and any rights or privileges of any kind over or in respect of any property.
- (d) 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, 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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).
- (i) 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.
- (j) 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.
- (k) 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.

- (l) 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.
- (m) 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.
- (n) 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.
- (o) 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.
- (p) 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.
- (q) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (r) 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.
- (s) 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.
- (t) 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; 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.

- (u) If and only to the extent permitted by the Act, 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.
- (v) To distribute among the Members of the Company in kind any property of the company of whatever nature.
- (w) To procure the company to be registered or recognised in any part of the world.
- (x) 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 along or in conjunction with others.
- (y) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:-

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects 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) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate Company.
  - (3) 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 unincorporated and whether domiciled in the United Kingdom or elsewhere.
  - (4) In this Clause the expression "the Act" means the Companies Act 1985, 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 £2,500,050 divided into 5,000,000 Ordinary shares of 50p each and 100 "A" Ordinary shares of 50p each.

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

---

NAMES, ADDRESSES AND DESCRIPTIONS  
OF SUBSCRIBERS

Number of shares  
Taken by each  
subscriber

---

WILDMAN & BATTELL LIMITED  
Bridge House  
181 Queen Victoria Street  
London EC4V 4DD

ONE

K. Skeoch on behalf of Wildman & Battell Limited

SAME-DAY COMPANY SERVICES LIMITED  
Bridge House  
181 Queen Victoria Street  
London EC4V 4DD

ONE

J Wildman on behalf of Same-Day Company Services Limited

---

Dated this 6th day of August 1993

WITNESS to the above signatures -

VALERIE WILSON  
47 Mortimer Road  
East Ham  
London E6 3QP

Secretary

The Companies Acts 1985 to 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

FRP GROUP PLC

formerly First Residential Properties III PLC and changed  
by Special Resolutions passed on 4 May 1999 and 12 May 2000

---

PRELIMINARY

1. (A) Subject as hereinafter provided the Regulations contained in Table A of the Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company.

(B) Regulations 1, 2, 4, 32, 38, 39, 57, 65 TO 69, 72, 75 to 80, 82, 84, 85, 87, 94, 98, 103 to 105 and 109 to 118 inclusive of Table A shall not apply to the Company.

2. In these presents (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:-

"THE ACT"	The Companies Act 1985
"THE STATUTES"	The Act and every other act for the time being in force concerning companies and affecting the Company
"THESE PRESENTS"	These Articles of Association as from time to time altered
"OFFICE"	The registered office of the Company for the time being
"TRANSFER OFFICE"	The place where the Register of Members is situate for the time being
"SEAL"	The Common Seal of the Company
"SECURITIES SEAL"	An official seal kept by the Company by virtue of Section 40 of the Act
"THE UNITED KINGDOM"	Great Britain and Northern Ireland
"MONTH"	Calendar month
"YEAR"	Calendar year
"IN WRITING"	Written or produced by one substitute for writing or partly one and partly another
"PAID"	Paid or credited as paid

The expression "Debenture" and "Debenture Holder" shall respectively include "Debenture Stock" and "Debenture Stockholder".

The expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons.

The expression "Stock Exchange Nominee" bears the meaning ascribed thereto by Section 185 of the Act.

All such of the provisions of these presents as are applicable to paid up shares shall apply to Stock and the words "Share" and "Shareholder" shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

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

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these presents.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these presents.

#### SHARE CAPITAL

3. The Share Capital of the Company is **£3,496,092.50** divided into 160 "A" Ordinary Shares of 50 pence each and **4,999,940** Ordinary Shares of 50 pence each and **7,968,340 Ordinary Shares of 25 pence each** having the respective rights attaching thereto as are set out in paragraph C of Article 4 below.

#### SHARES

4. (A) In this Article the following expressions shall have the following meanings:-

(i) The total Number of Votes

That number of votes which is equal to the total number of shares (whether "A" Ordinary Shares or Ordinary Shares or otherwise) in the capital of the Company in issue on the date of the meeting at which the votes are exercisable.

(ii) The 2004 AGM

The Annual General Meeting of the Company (or any adjournment thereof) at which there shall be laid the Audited Financial Statements of the Company for the year ending 30th November 2003 or (if the accounting reference date of the Company shall be altered) the Audited Financial Statements of the Company for the year or period ending immediately next after 30th November 2003.

(iii) The 2003 Accounting Reference Date

30th November 2003 or (if the Accounting Reference Date of the Company shall be altered) the date on which the accounting reference period ending immediately next after

30th November 2003 shall end.

- |        |  |  |
|--------|--|--|
| (iv)   | The Conversion Value (CV)                      | The value of the Company at the Valuation Date determined by reference to the Share Value as defined in sub-paragraph (a) hereof or the Flotation Value as defined in sub-paragraph (b) hereof or the Sale Value as defined in sub-paragraph (c) hereof or the liquidation defined in sub-paragraph (d) hereof and in each case having taken into account all professional and other expenses in determining the value of the Company;                             |
|        | (a) The Share Value                            | The net asset value per share of the Company as at the 2003 Accounting Reference Date as determined by the Auditors for the time being of the Company  |
|        | (b) The Flotation Value                        | The market value at the admission price at the date of flotation referred to in Article 4(C) (iv)(a)(ii)   |
|        | (c) The Sale Value                             | The value per share of the consideration for the issued Share Capital of the Company as at the conclusion of the Extraordinary General Meeting convened to approve the offer referred to in Article 4(C)(iv)(a)(iii)   |
|        | (d) The Liquidation Value                      | The funds available for distribution to the Shareholder following the completion of the liquidation of the Company including any interim distribution made by the Liquidator   |
| (v)    | The Base Share Value (BSV)                     | 200p per share   |
| (vi)   | Incentive Threshold (IT)                       | The Base Share Value plus 35%, namely 270p per share   |
| (vii)  | Total Ordinary Shares (TOS)                    | The total number of Ordinary Shares actually in issue on the day prior to the Valuation Date.  |
| (viii) | Ordinary Share Value (OSV)                     | An amount calculated to the nearest 0.01 pence by the application of the following formula:<br><br>$OSV = IT + ((CV - IT) \times 84\%)$  |
| (ix)   | "A" Ordinary Shareholders Incentive Value (IV) | An amount calculated to the nearest pound by the application of the following formula:<br><br>$IV = ((CV - IT) \times 16\%) \times TOS$  |
| (x)    | The Valuation Date                             | <p>(a) in the case of conversion under Article 4(C)(iv)(a)(i) the 2003 Accounting Reference Date;</p> <p>(b) in the case of conversion under Article 4(C)(iv)(a)(ii) the date of flotation;</p> <p>(c) in the case of conversion under Article 4(C)(iv)(a)(iii) the date of the acceptance by a majority of not less than 75% (measured in nominal value) of the holders of Ordinary Shares of an offer to purchase the Ordinary Share Capital of the Company;</p> |

- (d) in the case of conversion under Article 4(C)(iv)(a)(iv) the date when all assets of the Company have been converted into cash by the liquidation or when the Auditors agree a final valuation figure;
- (xi) The Conversion Date Subject to Article 4(B) the date of conversion of the "A" Ordinary Shares into Ordinary Shares or cash in accordance with Article 4(C)(iv)(a).
- (xii) Flotation and Flotation on a recognised Stock Exchange The making of an application to the Stock Exchange for the inclusion of any part of the share capital of the Company in the Official List or for the grant of permission to deal in any part of the share capital of the Company on the AIM Market or Ofex

(B) For the purpose of this Article 4 the following provisions shall apply:-

- (i) The Auditors of the Company shall act as experts and not as arbitrators.
- (ii) In the absence of any manifest error or omission any determination of the Auditors shall be conclusive and binding upon the Company and its shareholders.
- (iii) The costs and expenses of the Auditors shall be borne and paid by the Company.
- (iv) Any valuation by the Auditors of the issued Ordinary Share Capital of the Company will be the net asset value per share of the Company by reference to the relevant balance sheet of the Company which balance sheet will be drawn up on the basis of generally accepted accounting standards, principles and conventions in the United Kingdom including a current use open market revaluation by an independent Chartered Surveyor of each of the Company's properties and such other revaluations as the Auditors shall consider to be appropriate.
- (v) If the Company shall issue further shares after the date of adoption of this Article the Auditors shall make such adjustments to the definitions contained in Regulation 4(A) as they shall consider to be appropriate to ensure the intentions contained therein are adhered to.
- (vi) For the purposes of paragraph (ii) of Article 4(C)(iv)(a) the date of flotation of the Company shall be the date on which the application to the Stock Exchange in question shall be signed on behalf of the Company.
- (vii) For the purposes of conversion pursuant to paragraph (iii) of Article 4(C)(iv)(a) the conversion date shall be deemed to be the day prior to the date specified in that paragraph (but for the purposes of calculating the Ordinary Share Value the "A" Ordinary Shares shall not be deemed to have been converted).
- (viii) All dividends paid up to the Valuation Date shall be added back to the Conversion Value.
- (ix) For the purposes of calculating the Conversion Value any property management business shall be valued at one times the annual turnover of management fees received from landlords other than the Company and shall be added to the value as determined by reference to the balance sheet.

- (x) Any Deferred tax which may be capable of being calculated on present tax policies shall be ignored in all calculations.
- (xi) All calculations of share values shall be on a per share basis by reference to the total number of shares in issue, **but for the purposes of this Article all such calculations shall be based on 50p Ordinary Shares ie two 25p Ordinary Shares equate to one 50p Ordinary Share.**
- (xii) The maximum number of Ordinary Shares in the Company which may be issued pursuant to the incentive payment shall not exceed 13% of the Share Capital of the Company as at 30 November 2003.

(C) The respective rights attaching to the 'A' Ordinary Shares, the Ordinary Shares of 50p each and the Ordinary Shares of 25p each in the Capital of the Company shall in addition to any other rights specified elsewhere in these presents be as follows:-

- (i) As regards voting on a poll at General Meetings of the Company every member present in person or by proxy shall **on a poll have two votes for every Ordinary Share of 50p each, two votes for every 'A' Ordinary Share of 50p each and one vote for every Ordinary Share of 25p each** in the capital of the Company held by him. **The Ordinary Shares of 50p and 25p shall be treated as separate classes of share but for the purposes of voting shall be treated as one class of share.**
- (ii) As regards dividends:  
  
the profits of the Company available for dividend and resolved to be distributed shall be distributed amongst the **Members of the Company as follows. The 'A' Ordinary Shares shall not receive dividends until after conversion into Ordinary Shares. A holder of a 50p Ordinary Share will be entitled to twice the dividend declared and received by the holder of a 25p Ordinary Share.**
- (iii) As regards capital:  
  
**Firstly the holders of the 'A' Ordinary Shares shall be entitled to 50p per 'A' Ordinary Share and will only participate in a distribution of surplus assets pursuant to sub-section (v)(a)(iv) of this article. Secondly the holders of the 50p Ordinary Shares shall then be entitled to 50p for each Ordinary Share held by them. Thirdly the holders of the 25p Ordinary Shares shall then be entitled to 25p per Ordinary Share held by them. Fourthly the balance shall then be divided amongst the holders of the 50p Ordinary Shares and 25p Ordinary Shares pro rata to the total nominal value of all of the Ordinary Shares held by each member.**
- (iv) **On each transfer for value (including transfers prior to the date of the passing of this Resolution) the purchasers of 50p Ordinary Shares may elect to convert one Ordinary Share of 50p each so acquired into two Ordinary Shares of 25p each.**
- (v) As regards conversion:
  - (a) The issued "A" Ordinary Shares will be converted into Ordinary Shares on the earliest of the following:-
    - (i) The conclusion of the 2004 AGM
    - (ii) The date of the flotation of the Company on a recognised Stock Exchange

(iii) The date of the acceptance by a majority of not less than 75% (measured in nominal value) of the holders of Ordinary Shares of an offer to purchase the Ordinary Share Capital of the Company and in this connection the Directors shall convene an Extraordinary General Meeting as soon as practicable for the purpose of seeking the approval of the holders of Ordinary Shares to any such offer and

(iv) Immediately prior to the first distribution by the Liquidator of the Company.

(b) In the event that the Incentive Threshold is not reached by the 2003 Accounting Reference Date, then the Company will not convert the "A" Ordinary Shares.

(c) Such conversion shall be into such number of Ordinary Shares as shall result from the division of the "A" Ordinary Shareholders Incentive Value by the Ordinary Share Value as those terms are respectively defined in Regulation 4(A) above or the payment of an equivalent monetary sum to the value of the Ordinary Shares which would otherwise have been received on conversion.

*The number of Ordinary Shares arising from such conversion shall be certified by the Auditors for the time being of the Company.*

(d) Conversion of the "A" Ordinary Shares may be effected by the redemption of the "A" Ordinary Shares at par out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of redemption or by means of consolidation and sub-division or in any other manner for the time being determined by the Directors and permitted by law

(e) In the case of conversion effected by redemption (whether out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of redemption) and the issue of new shares the Directors shall apply the redemption monies in the names of the holders of the "A" Ordinary Shares and subscribing for fully paid Ordinary Shares and the conversion of the "A" Ordinary Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption monies in the name of such holders subscribing for Ordinary Shares as aforesaid

(f) In the case of conversion effective consolidation and sub-division the required consolidation and sub-division shall be effected by consolidating into one share all the "A" Ordinary Shares held by any holder and sub-dividing such consolidated share into shares of such nominal amount as may be appropriate and the conversion thereof into the same number of Ordinary Shares in the capital of the Company

(g) Fractions of Ordinary Shares arising on conversion will not be allotted to the holders of "A" Ordinary Shares otherwise entitled thereto but will be disregarded

(h) On conversion the holders of the "A" Ordinary Shares concerned shall surrender to the Company the certificate or certificates in respect thereof and the Company will issue a fresh certificate or certificates in respect of the shares so converted

(i) The Ordinary Shares created on conversion shall be of the same nominal value as the Ordinary Shares in issue immediately prior to conversion and shall rank in full for all dividends and all other distributions declared, paid or made upon the Ordinary Shares

after the date of conversion but not earlier and in all other respects shall rank *pari passu* with and form one class with the Ordinary Shares of the Company then in issue

(D) Without prejudice to paragraphs (A) (B) and (C) above and to any special rights previously conferred on the holders of existing shares in the Company and subject where relevant to Article 3 of Table A any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions whether in regards to dividend, voting, return of capital or otherwise as the Company may from time to time by Ordinary Resolution determine.

5. Save as authorised by the Statutes the Company shall not give, whether directly or indirectly, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.

6. Save as permitted by Section 101 of the Act the shares of the Company shall not be allotted either at a discount or except as fully paid.

7. The Company may exercise the power of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

8. 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 accept 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 to impose.

#### TRANSFER OF SHARES

9.

(a) Notwithstanding any other provisions of these Articles of Association, no "A" Ordinary Shares or any interest therein shall be sold or transferred without the consent of the holders of the majority of the other "A" Ordinary Shares.

(b) Notwithstanding any other provisions of these Articles of Association, no share or any interest therein shall be sold or transferred prior to the 1997 AGM if as a result of such sale or transfer the Company would be under the control (as defined in Section 416 of the Income and Corporation Taxes Act 1988) of another company (or of another company and any person connected with that other company) or would be a 51 per cent subsidiary of another company, unless such sale shall have been approved by not less than 75% (measured in nominal value) of the holders of the Ordinary Shares.

(c) Notwithstanding any other provisions of these Articles of Association, the Company shall not acquire any shares or any interest therein prior to the 1998 Annual General Meeting if as a result of such acquisition the company would control (as defined in Section 416 of the Income and Corporation Taxes Act 1988), or together with any person connected with it, control another company or have a 51 per cent subsidiary, unless such acquisition shall have been approved by a Special Resolution of the Company.

(d) Any sale or transfer or disposal or acquisition of any share or any interest in any share in contravention of the foregoing provisions shall be a nullity.

10. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation thereof and it shall conclusively be presumed in favour of the Company that

every entry in the Register purporting to have been made on the basis of an instrument of transfer so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valued and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (a) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) 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;
- (c) References herein to the destruction of any document include references to the disposal thereof in any manner.

#### ALTERATION OF SHARE CAPITAL

11. Upon any consolidation of fully paid shares into shares of larger amounts the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale and for such purpose may appoint some person to transfer the consolidated share to the purchaser. Provided that the necessary unissued shares are available the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share issue subject to the provisions of the Act to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such share shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of the profit and loss account and capitalised by applying the same in paying up such shares.

#### VARIATION OF RIGHTS

12. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the 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) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these present relating to General Meetings of the Company and to the proceedings thereat shall apply mutatis mutandis, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one third in nominal value of the issued shares of the class (but that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the 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 varied.

13. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by these presents or by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

#### NOTICE OF GENERAL MEETINGS

14. An Annual General Meeting and any 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 twenty-one days' notice in writing at the least and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company PROVIDED THAT, a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called 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 an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

15. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

16. In the last preceding Article routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

- (a) declaring dividends;
- (b) receiving and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts.
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

- (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
- (e) Fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

#### PROCEEDINGS AT GENERAL MEETINGS

17. In Regulation 46 of Table A there shall be added "(e) a holder of the "A" Ordinary Shares".

18. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

#### VOTES OF MEMBERS

19. In Regulation 59 of Table A the second sentence shall be omitted and the following added "A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way".

20. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid or if he or any person appearing to be interested in such shares has been duly served with a notice under Section 212 of the Act and is in default in supplying to the Company the information thereby required. For the purpose of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

#### DIRECTORS

21. Save as contained in Regulation 4(c)(iv)(b) a Director shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

22. Until the 1998 Annual General Meeting no Director of the Company shall be entitled to any remuneration for services rendered as a director of the Company. A Director will be entitled to the reimbursement of out of pocket expenses incurred whilst performing his duties as a Director of the Company.

23. Subject to Regulation 22 there shall be paid out of the funds of the Company by way of remuneration of directors fees at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed such figure as the Company may in general meeting from time to time determine.

24. Subject to Regulation 22 any Director who devotes special attention to the business of the company, or otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director, may be paid such additional remuneration as the Directors may determine.

25. (A) Subject to Regulation 22 a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine, and subject to the provisions of the Statutes no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other such office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised from any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(B) Notwithstanding Regulation 22 any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

(C) Any Director may continue to be or become a Director of, or hold any other office or place of profit under, or be or become a member of, any other company in which the Company may be interested, and (unless otherwise provided by his terms of service) no such Director shall be accountable for any remuneration, salary, profit or other benefits received by him as a Director of, or holder of any other office or place of profit under, or member of any other company. The Directors may exercise the voting powers conferred by the shares in any company held or owned by the Company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors of or holders of any such office or place of profit under such company, or voting or providing for the payment of remuneration to the directors of such company).

26. The Directors 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.

27. Subject to the provisions of the Act and provided that he has disclosed to the Director the nature and extent of any material interest of his a Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place or profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested 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 and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

28. (A) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine, and without prejudice to the terms of any contract entered into in any particular case may at any time revoke any such appointment.

(B) The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(C) The appointment of any Director to any other executive office shall not automatically determine if he ceases for any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

29. Any provision of the Statutes which, subject to the provisions of these presents, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company.

30. The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected in any of the following cases:-

- (a) Where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost.
- (b) Where such Director has given notice in writing to the Company that he is unwilling to be re-elected.
- (c) Where the default is due to the moving of a resolution in contravention of the next following Article.
- (d) Where such Director has attained any retiring age applicable to him as a Director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

31. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty two days (inclusive of the date on which the notice is given) before the date appointed for the meeting there will have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

32. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

33. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors

shall not thereby exceed the maximum number (if any) fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

34. In Regulation 81 of Table A there shall be added:

"(f) *If he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed to act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.*"

#### ALTERNATE DIRECTORS

35. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

(B) The appointment of any alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.

(C) An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such an extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these present.

(D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

#### MEETINGS AND PROCEEDINGS OF DIRECTORS

36. (A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities 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.

(B) Subject to the provisions of the Statutes 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:-

- (i) 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.
- (ii) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security.
- (iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof.
- (iv) 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 (together with persons connected with him within the meaning of Section 346 of the Act) is not the holder of or beneficially interested in one per cent or more of the issued shares of any class 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 purposes of this Article to be a material interest in all circumstances).
- (v) Any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or Employees Share Scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of the Inland Revenue for taxation purposes.

(C) If any question shall arise at any time 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 interest of such Director has not been fairly disclosed.

37. The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a) the number of co-opted members shall be less than one-half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

38. The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these presents regulating the meetings and proceedings of

the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

## BORROWING POWERS

39. (A) Subject as hereinafter provided and to the provisions of the Statutes the Directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to the Adjusted Capital and Reserves.

(C) For the purpose of the foregoing limit the following provisions shall apply:-

- (i) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fail to be taken into account):-
  - (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
  - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
  - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the Group;
  - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
- (ii) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;

- (iii) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;
  - (iv) moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed and owing to a partly owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly owned subsidiary which is not attributable to the Company;
  - (v) borrowed moneys of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.
- (D) In this Article the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:-
- (a) The amount paid up on the issued share capital of the Company; and
  - (b) the amount standing to the credit of the capital and revenue reserves of the Company and its subsidiaries (including any share premium account or capital redemption reserve) after adding thereto or deducting therefrom any balance to the credit or debit of the profit and loss account;

all based on a consolidation of the then latest available audited balance sheet of the Company and its subsidiaries but after:-

- (i) excluding any sums set aside for taxation including deferred taxation less any sums properly added back in respect thereof;
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose share capital allotted shall be deemed to have been issued and share capital already called up or payable at any fixed future date within the following six months shall be treated as already paid up and if any issue or proposed issue of shares by the Company shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (iii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (iv) making such adjustment as may be appropriate in respect of any variation in the

interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;

- (v) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making all such adjustments as would be appropriate if such transaction had been carried into effect;
- (vi) excluding minority interests in subsidiaries;
- (vii) making such other adjustments (if any) as the Auditors for the time being of the Company or in the case of joint Auditors both of them may consider appropriate.

The determination of the Auditors (which expression means the Auditors for the time being of the Company or in the case of joint Auditors any one of them) as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned.

(E) No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

#### GENERAL POWERS OF DIRECTORS

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

41. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating 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 presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

42. 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 by resolution determine.

#### AUTHENTICATION OF DOCUMENTS

43. 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 resolution passed by the Company or the Directors or any committee, 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 local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

## DIVIDENDS

44. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on shares carrying a fixed dividend expressed to be payable on fixed dates on the dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class in such amounts and on such dates and in respect of such periods as they think fit.

45. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provided, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

46. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

47. Subject to the provisions of the Statutes where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

48. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share over 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.

(B) 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 hereinbefore contained 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.

49. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

50. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specified assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think

expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors

## RESERVES

51. The Directors may from time to time set aside out of the profits of the company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the company may properly be applied and pending such application may either be employed in the business of the company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placed the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Act.

## CAPITALISATION OF PROFITS AND RESERVES

52. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum outstanding to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) or debentures for allotment and distribution credited as fully paid up to and amongst them as bonus shares or debentures respectively. Provided that any share premium account and capital redemption reserve may for the purposes of this Article be applied in the paying up of unissued shares to be allotted to members of the company as fully paid shares in the proportion aforesaid. 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 any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof 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 any such capitalisation and matters of incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

## ACCOUNTS

53. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors shall think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

54. The Directors shall from time to time in accordance with sections 227, 229, 235, 239, 241, 242 and 261 of the Act 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 those Sections.

55. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these presents. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the shares or debentures of the company shall for the time being be listed or dealt in on The Stock Exchange, there shall be forwarded to the appropriate officer of The Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

#### AUDITORS

56. 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 this appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

57. An 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

58. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, with the United Kingdom supplied by him to the Company at his address for the service of notices, or by delivering it to such address addressed as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty four (or, where second class mail is employed, forty eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

59. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

60. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be

entitled to have served upon or delivered to him to such address any notice or document to which the member but for his death or bankruptcy would have been entitled and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these present shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

61. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

62. 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 a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation at least one of which shall be a London newspaper 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.

63. Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class of shares, notice of every General Meeting shall be given in any manner hereinbefore authorised to:-

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them; and
- (b) the Auditor for the time being of the Company; and
- (c) the Directors and (if any) alternate Directors.

No other person shall be entitled to receive notices of General Meetings.

64. Nothing in any of the preceding six Articles shall affect any requirement of the statutes that any particular offer, notice or other document be served in any particular manner.

#### WINDING UP

65. If the company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon anyone or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

#### STOCK

66. The Company may by Ordinary Resolution convert any fully paid shares into stock, and may be a like Resolution re-convert any stock into fully paid shares of any denomination.

67. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit. The Directors may from time to time fix the minimum of stock transferable but so that the minimum shall not exceed the nominal amount of the shares from which the stock arose.

68. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in dividends and profits and in the assets on a winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred such rights, privileges or advantages.

69. All the provisions of those Articles applicable to fully paid shares, shall apply to stock, and the word "share" shall be construed accordingly.

#### INDEMNITY

70. Subject to the provisions of and so far as may be consistent with the Statutes, 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.

---

NAMES, ADDRESSES AND DESCRIPTIONS  
OF SUBSCRIBERS

---

WILDMAN & BATTELL LIMITED  
Bridge House  
181 Queen Victoria Street  
London EC4V 4DD

K Skeoch on behalf of Wildman & Battell Limited

SAME-DAY COMPANY SERVICES LIMITED  
Bridge House  
181 Queen Victoria Street  
London EC4V 4DD

J Wildman on behalf of Same-Day Company Services Limited

---

Dated this 6th day of August 1993

WITNESS to the above signatures -

VALERIE WILSON  
47 Mortimer Road  
East Ham  
London E6 3QP

Secretary