

Company Number: 02880822

THE COMPANIES ACT 1985-1989

SPECIAL RESOLUTIONS

of

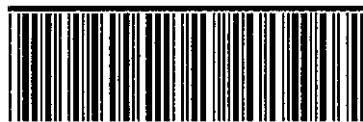
THI PLC

Passed on 19 Dec 1996

At an extraordinary general meeting of the company, duly convened and held at Carmel House, Victoria Embankment on 19 Dec 1996 the following resolutions were duly passed by the company as special resolutions as indicated:

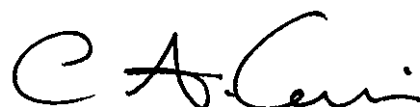
SPECIAL RESOLUTIONS

1. That, conditional on the passing of resolutions 2, 3 and 4, the authorised share capital of the Company which is presently £176,200 divided into 750 "A" Ordinary Shares of £1 each, 450 "B" Ordinary Shares of £1 each and 175,000 "C" Deferred Shares of £1 each be increased to £976,000 divided into 750 "A" Ordinary Shares of £1 each, 250 "B" Ordinary Shares of £1 each, 574,999 "C" Deferred Shares of £1 each, 1 "C" Special Deferred Share of £1 and 400,000 Convertible Redeemable Preference Shares of £1 each by
 - (a) cancelling 200 authorised but unissued "B" Ordinary Shares thereby altering the number of authorised "B" Ordinary Shares from 450 to 250;
 - (b) increasing the number of authorised "C" Deferred Shares from 175,000 to 574,999;
 - (c) creating 400,000 Convertible Redeemable Preference Shares of £1 each having the rights attaching to them as set out in the articles of association of the Company to be adopted pursuant to Resolution 3; and
 - (d) creating 1 "C" Special Deferred Share of £1 having the rights attaching to it as set out in the articles of association of the Company to be adopted pursuant to Resolution 3.
2. That, conditional on the passing of resolutions 1, 3 and 4
 - (a) 1 of the issued "C" Deferred Shares be converted and re-designated as the "C" Special Deferred Share and simultaneously
 - (b) 125 of the issued "B" Ordinary Shares be converted and re-designated as "C" Deferred Shares.



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3. That, conditional on the passing of resolutions 1, 2 and 4, the articles of association of the Company produced to the meeting be adopted by the Company as the new articles of association of the Company in place of the existing articles of association of the Company, the conversion mechanism applicable to the Convertible Redeemable Preference Shares and provided for in article 6(b)(C) of such articles of association being specifically approved.
4. That, conditional on the passing of resolutions 1, 2 and 3 and immediately thereafter, the Company issue to the holders (registered as such in the Register of Members of the Company as at the date of the passing of this resolution) of the 125 "B" Ordinary Shares remaining in issue after implementation of the matters referred to in Resolutions 1, 2 and 3, by way of bonus issue funded from the Share Premium Account of the Company, 3,200 of the Convertible Redeemable Preference Shares created pursuant to Resolution 1 for each 1 "B" Ordinary Share and that such Convertible Redeemable Preference Shares be issued as fully paid at £1 per share. If the issue of such Convertible Redeemable Preference Shares by way of bonus issue from Share Premium Account shall be inconsistent with or not authorised or permitted by the provisions of the new articles of association of the Company adopted pursuant to Resolution 3 (above) then such articles of association shall be hereby amended so as to permit and authorise such issue.


CHAIRMAN

PRESENTED BY :
Taylor Joynson Garrett
Carmelite, 50 Victoria Embankment,
Blackfriars, London EC4Y 0DX
Tel: 0171 353 1234
Ref: RJP

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

PA1.
HP
SDH

ARTICLES OF ASSOCIATION

of

THI Plc

(Adopted by special resolution of the Company
dated the [19 Decem] 1996)

PRELIMINARY

1. Subject as otherwise provided in these articles the regulations contained in Table A in the first schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985 ("Table A") shall constitute the regulations of the Company. In the case of any inconsistency between these articles and the regulations of Table A, the provisions of these articles shall prevail.
2. Regulations 23, 40, 46, 50, 53, 57, 64 to 69 (inclusive), 73 to 76 (inclusive), 81, 84, 87 to 89 (inclusive), 93, 94, 101, 112, 115 and 118 of Table A shall not apply to the Company.
3.
 - (a) In regulation 1 of Table A, the words "and in the articles of association adopting the same" shall be inserted after the word "regulations" in line one and the full stop at the end of the regulation shall be deleted and replaced by a semi colon and the following shall be inserted "words importing the singular shall include the plural and vice versa, words importing the masculine shall include the feminine, and words importing persons shall include corporations."
 - (b) In line two of regulation 18 of Table A and line one of regulation 77 of Table A the word "less" shall be replaced by the word "fewer".
 - (c) Any reference to presence at a general meeting or class meeting shall include presence of a member in person or by proxy or (being a corporation) by a duly authorised representative and shall include presence which is deemed in accordance with these articles (and "present" shall be construed accordingly).

SHARE CAPITAL

4. (a) The share capital of the Company at the date of the adoption of these articles is £976,000 divided into 750 "A" ordinary shares of £1 each ("the "A" Ordinary Shares"), 250 "B" ordinary shares of £1 each ("the "B" Ordinary Shares"), 574,999 "C" deferred shares of £1 each ("the "C" Deferred Shares") one "C" special deferred share of £1 ("the "C" Special Deferred Share") and 400,000 Convertible Redeemable Preference Shares of £1 each ("the Preference Shares").
- (b) The "A" Ordinary Shares, the "B" Ordinary Shares, the "C" Deferred Shares, the "C" Special Deferred Share and the Preference Shares shall each constitute separate classes of shares but save as otherwise provided in these articles
- (i) the "A" Ordinary Shares and the "B" Ordinary Shares shall rank *pari passu* in all respects; and
- (ii) the "C" Deferred Shares and the "C" Special Deferred Share shall rank *pari passu* in all respects.
- (c) The rights attached to any class of shares may whether or not the Company is being wound up be varied by a resolution of the directors of the Company and with either the consent in writing of the holder or holders of not fewer than 75% nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class (and in each case the "A" Ordinary Shares, the "B" Ordinary Shares, the "C" Deferred Shares, the "C" Special Deferred Share and the Preference Shares shall rank as separate classes of share for these purposes) but not otherwise PROVIDED THAT any resolution to amend the rights attaching to the "A" Ordinary Shares, the "B" Ordinary Shares, the "C" Deferred Shares, the "C" Special Deferred Share or the Preference Shares shall additionally require the unanimous approval of both all of the holders of "A" Ordinary Shares and all of the holders of "B" Ordinary Shares at a separate meeting of the holders of the "A" Ordinary Shares and the "B" Ordinary Shares together (for which purpose the "A" Ordinary Shares and the "B" Ordinary Shares shall rank as one class of share).
- (d) Without prejudice to the provisions of article 4(c) above, any resolution to take any of the following actions, namely:
- (A) any increase or reduction in the authorised or issued share capital or share premium account or capital redemption reserve of the Company (other than arising on any conversion of the Preference Shares);
- (B) any repurchase by the Company of any shares of any class from time to time in issue or any income or capital distribution otherwise than in accordance with article 5 and 6(b);
- (C) any capitalisation of reserves (whether or not distributable reserves);

- (D) any sub-division or consolidation or conversion of any shares of any class from time to time in issue (other than the conversion of Preference Shares);
- (E) any reduction or waiver of any uncalled liability attaching to any shares of any class from time to time in issue; and
- (F) to wind up the Company

shall require the unanimous approval of both all the holders of "A" Ordinary Shares and all the holders of the "B" Ordinary Shares at a separate meeting of the holders of the "A" Ordinary Shares and the "B" Ordinary Shares together (for which purpose the "A" Ordinary Shares and the "B" Ordinary Shares shall rank as one class of share).

- (e) To every such separate meeting aforesaid all provisions applicable to general meetings of the Company or to the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be one person holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as defined is not present the member or members 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 such holders shall on a poll have one vote in respect of every share of such class held by them respectively.
 - (f) In these articles the "A" Ordinary Shares and the "B" Ordinary Shares are referred to together as "the ordinary shares".
5. (a) Any amount determined to be distributed by way of dividend to the holders of ordinary shares shall be distributed on the basis that the "A" Ordinary Shares and the "B" Ordinary Shares shall rank *pari passu* in respect of all such dividend payments. No right to receive any dividend or other distribution shall attach to the "C" Deferred Shares. The "C" Special Deferred Share shall (subject to the provisions of these articles) have the right to receive the "C" Special Bonus Dividend referred to in article 6(c) but no other right to receive any dividend or other distribution shall attach to the "C" Special Deferred Share.
- (b) On a return of assets on liquidation or otherwise the assets of the Company available for distribution amongst the members shall belong to and be distributed amongst the holders of the ordinary shares and, if applicable, the "C" Special Deferred Share as contemplated in article 6(b)(B)(i). The holders of "C" Deferred Shares shall be entitled to £0.0000001 in respect of every "C" Deferred Share in respect of which they are holders on a winding up of the Company.
- (c) Notwithstanding any other provision in these articles no dividend shall be paid on any share in the Company after the Bonus Dividend Date until the "C" Special Bonus Dividend shall have been paid in full AND any proposed variation or amendment to this article shall be deemed to be a variation or amendment to the rights attaching to the "C" Special Deferred Share.

6. (a) Neither the "C" Deferred Shares nor (subject to article 6(c)(E)) the "C" Special Deferred Share shall carry or confer on the holders thereof any right to attend or to vote at any general meetings of the Company or otherwise save for meetings of the holders of such shares as a class.

- (b) The special rights, restrictions and provisions applicable to the Preference Shares are as follows:

(A) **Income**

The holders of the Preference Shares shall be paid out of the profits first available for dividend in respect of each financial year or other accounting period of the Company a fixed cumulative preferential net dividend ("preferential dividend") at the rate of 10% per annum (but, with effect from the Mandatory Redemption Date, 22% per annum on the Preference Shares for the time being unredeemed where the circumstances contemplated in article 6(b)(D)(ii) apply) (in each case exclusive of any associated tax credit) on the amount for the time being paid up or credited as paid up thereon (being £5 per Preference Share when fully paid) in priority to any payment of dividend to the holders of any other class of shares (subject in the case of the "C" Special Bonus Dividend to the following provisions of this article). The preferential dividend shall be payable on the earlier of (I) 30 June 1998 and (II) the date of conversion of the Preference Shares into "B" Ordinary Shares in accordance with article 6(b)(C) ("the first fixed dividend date") and thereafter (unless and until converted or redeemed in accordance with these articles of association) quarterly in equal amounts on 31 March, 30 June, 30 September and 31 December (together with the first fixed dividend date the "fixed dividend dates") (or in the event of any such date being a Saturday, Sunday or a day which is a public holiday in England on the next day which is not such a day) in each year in respect of the quarter ending on those respective dates, save that the first such payment after the date of issue of any Preference Shares shall be calculated and made on a pro rata basis in respect of the period from and including such date of the issue thereof up to and including the first fixed dividend date. In addition to the preferential dividend, the holders of the Preference Shares shall be entitled to receive an additional dividend ("the Bonus Dividend") on the Mandatory Redemption Date (as defined in article 6(b)(D)(i)) if the Preference Shares are to be redeemed in accordance with article 6(b)(D). The amount of the Bonus Dividend shall be a net amount (exclusive of any associated tax credit) which is equal to £200,000 multiplied by "Y" where "Y" is the number of years (commencing from [] 1996 - "the Commencement Date") during which Barclays Bank Plc ("the Bank") makes available a loan facility to the Company in terms of the Loan Agreement dated [] and made between (1) the Bank and (2) the Company ("the Loan Facility"), subject to a maximum of five years and a maximum Bonus Dividend of £1,000,000 PROVIDED THAT no Bonus Dividend shall be payable if either

- (i) the average amounts drawn down and unrepaid (calculated on a day by day basis) by the Company under the Loan Facility during the

period from the Commencement Date to the date which is five years from the Commencement Date exceed £12,500,000; or

- (ii) the Preference Shares have converted into "B" Ordinary Shares at any time on or before the Mandatory Redemption Date.

The holders of the Preference Shares shall not be entitled to any further right of participation in the profits of the Company PROVIDED THAT if at any time any instalment of preferential dividend is due and payable by the Company to the holders of the Preference Shares but the Company fails to pay such instalment of preferential dividend notwithstanding that it has cumulated undistributed profits from which the payment of such instalment can be lawfully made, then the Company shall pay interest ("Default Interest") at the rate of 22% per annum (calculated on a daily basis) on the amount of the outstanding instalment in question from the date on which the Company becomes legally obliged to make such payment to and including the date of payment. Subject thereto and to the rights attaching to the "C" Special Deferred Share to receive the "C" Special Bonus Dividend (which shall, if the Company shall have become liable to pay it be paid in priority to the preferential dividend and Bonus Dividend), the balance of available profits shall be distributed in accordance with article 5(a) of these articles and article 5(a) shall be varied accordingly PROVIDED THAT nothing in this article 6(b) shall prevent the declaration and payment of dividends to ordinary shareholders at all times prior to the first fixed dividend date and the preferential right to dividend attaching to the Preference Shares shall apply only in respect of dividends declared or paid on or (if applicable) after the first fixed dividend date.

Payments of preferential dividend and of the Bonus Dividend if applicable, shall be made to holders on the register at any date selected by the directors of the Company up to 42 days prior to the relevant fixed dividend date.

(B) Capital

- (i) On a return of capital, whether on a winding-up or (other than on a conversion, redemption or purchase of shares) otherwise, the assets of the Company available for distribution to its members shall be applied:

- I - first, in paying to the holder of the "C" Special Deferred Share the "C" Special Bonus Dividend together with Default Interest thereon (if any) if the Company has previously become liable to pay the same;
- II - secondly, in paying to the holders of the Preference Shares a sum equal to all arrears and accruals (if any) of the preferential dividend whether or not such dividend has been earned or declared or become due

and payable and all arrears and accruals (if any) of Default Interest, calculated down to the date of commencement of the return of capital in question;

- III - thirdly, in paying to the holders of the Preference Shares the Bonus Dividend if the same has previously accrued due for payment;
- IV - fourthly, in paying £1 to the holder of the "C" Special Deferred Share. The "C" Special Deferred Share will carry no further right to participate in the surplus assets of the Company available for distribution;
- V - fifthly, (if the Preference Shares shall not previously have converted into "B" Ordinary Shares in accordance with these articles) in repaying the capital paid up or credited as paid up on the Preference Shares (being £2,000,000 in the event that all of the authorised Preference Shares have been issued as fully paid). The Preference Shares will carry no further right to participate in the surplus assets of the Company available for distribution;
- VI - sixthly, in paying £0.0000001 to the holders of "C" Deferred Shares for each "C" Deferred Share held (rounded up to the next whole £0.01 if the aggregate amount due to any holder of "C" Deferred Shares is not a whole penny);
- VII - seventhly, in paying £1,000,000 (or, if all of the authorised Preference Shares shall have been issued and previously have converted into "B" Ordinary Shares in accordance with these articles) £3,000,000 to the holders of the "B" Ordinary Shares (the amount to be paid in respect of each "B" Ordinary Shares to be calculated by dividing £1,000,000 or (as the case may be) £3,000,000 by the number of "B" Ordinary Shares then in issue);
- VIII - eighthly, in paying £9,000,000 to the holders of the "A" Ordinary Shares (the amount to be paid in respect of each "A" Ordinary Share to be calculated by dividing £9,000,000 by the number of "A" Ordinary Shares then in issue); and
- IX - ninthly, in being distributed amongst the holders of ordinary shares in proportion to their respective holdings of ordinary shares.

The sums stated in the foregoing paragraphs of this article 6(b)(B) shall be adjusted accordingly in the event of any increase or reduction in the authorised and/or issued share capital of the Company.

(C) Conversion

- (i) The conversion of the Preference Shares shall (provided that they are fully paid prior to the Preference Share Conversion Date (as defined in article 6(b)(C)(ii) below) and provided that they have not previously been converted in accordance with article 6(b)(C)(iv)) be automatically converted on the Preference Share Conversion Date by means of consolidation and sub-division. The requisite consolidation and sub-division shall be effected pursuant to the authority given by the passing in General Meeting of the resolution creating the Preference Shares, by consolidating into one share all the Preference Shares held by any holder or joint holders on the Preference Share Conversion Date and sub-dividing such consolidated share into shares of £1 each (or such other amount as may be appropriate as a result of any consolidation, sub-division, repayment or reduction of capital or other event giving rise to an adjustment of the nominal amount of the ordinary shares) of which 1 share for each complete £3200 nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment of the ordinary share capital as aforesaid) shall be a fully paid "B" Ordinary Share (and so in proportion for any other nominal amount of the consolidated share) fractional entitlements being disregarded and the balance of such shares (including any fractions) shall be fully paid "C" Deferred Shares.
- (ii) The "Preference Share Conversion Date" shall be the date which is the earlier of:
 - (I) the date of adoption in general meeting of the Company of audited consolidated accounts of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) prepared as at 31 December in any calendar year which show the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) to be such amount as is at least equal to £14,000,000; and
 - (II) the date on which the auditors of the Company deliver to the board of directors of the Company a written certificate issued by such auditors stating that in their opinion the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries and determined on a consistent basis with that adopted in preparing the audited accounts of the Company) was (at a date

specified in such written certificate) an amount at least equal to £14,000,000.

- (iii) For the purposes of this article 6(b), the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) shall mean the total value of tangible assets less total liabilities of the Company and its subsidiaries on a consolidated basis (after taking into account minority interests in subsidiaries).
- (iv) (I) Without prejudice to the automatic conversion provisions of article 6(b)(C)(i) each holder of Preference Shares shall be entitled at any time on or before the date provided for in article 6(b)(C)(iv)(II) and in the manner set out in (and subject to the provisions of) this article 6(b)(C)(iv) but not otherwise to convert all (but not some only) of his Preference Shares which are fully paid (and provided that all other Preference Shares are simultaneously converted) by means of consolidation and sub-division of such Preference Shares into fully paid "B" Ordinary Shares and "C" Deferred Shares in accordance with article 6(b)(C)(i) by reference to the number of Preference Shares then held by the holder by means of consolidation and sub-division. The requisite consolidation and sub-division shall be effected pursuant to the authority given by the passing in General Meeting of the resolution creating the Preference Shares, by consolidating into one share all the Preference Shares held by any holder or joint holders on the date for conversion and sub-dividing such consolidated share into shares of £1 each (or such other amount as may be appropriate as a result of any consolidation, sub-division, repayment or reduction of capital or other event giving rise to an adjustment of the nominal amount of the ordinary shares) of which 1 share for each complete £3200 nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment of the ordinary share capital as aforesaid) shall be a fully paid "B" Ordinary Share (and so in proportion for any other nominal amount of the consolidated share) fractional entitlements being disregarded and the balance of such shares (including any fractions) shall be fully paid "C" Deferred Shares.
- (II) The conversion rights of the holders of Preference Shares shall be exercisable in whole (but not in part only) by giving written notice to the Company (a "Preference Share Conversion Notice") and lodging the same with the Company at its registered office for the time being at any time on or before the date which is 21 days before the earlier of (aa) the Preference Share Conversion Date and (bb) the Mandatory

Redemption Date and any such Preference Share Conversion Notice shall state the date on which conversion is to take place which shall be a date which is not more than 21 days nor less than 7 days after the date on which the Preference Share Conversion Notice is lodged with the Company, and such stated date for conversion shall be a date not after the earlier of (aa) the Preference Share Conversion Date and (bb) the Mandatory Redemption Date. The Preference Share Conversion Notice shall also state the number of Preference Shares which are to be converted (which must be all of the Preference Shares then in issue) and, when lodged with the Company shall be accompanied by such other evidence (if any) as the directors may reasonably require to prove the title and claim of the person exercising such right to convert. A Preference Share Conversion Notice once lodged may not be withdrawn without the consent in writing of the Company.

(III) Conversion of the Preference Shares as are due to be converted under this article 6(b)(C)(iv) shall be deemed to take place on the date specified for conversion in the Preference Share Conversion Notice if properly given in accordance with the provisions of this article 6(b)(C)(iv).

(v) On conversion

(I) any preferential dividend and Default Interest accrued from the immediately preceding fixed dividend date to the date of conversion shall become payable (and shall form preferential dividend for purposes of priority of payment pursuant to article 6(b)(A))

(II) the preferential dividend shall cease to accrue with effect from the date of conversion and

(III) any entitlement to Bonus Dividend shall cease.

The "B" Ordinary Shares resulting from the conversion will carry the right to receive all dividends and (unless an adjustment shall have been made under article 6(b)(C)(viii) below in respect thereof) other distributions declared, made or paid on the ordinary share capital of the Company by reference to a record date after the Preference Share Conversion Date and shall otherwise rank pari passu in all respects with the "B" Ordinary Shares then in issue and fully paid. The "C" Deferred Shares shall rank pari passu in all respects with the "C" Deferred Shares then in issue and fully paid.

(vi) Allotments of "B" Ordinary Shares and "C" Deferred Shares arising from conversion shall be effected immediately following conversion. Within 28 days after the date of conversion, the Company shall forward to each holder of the Preference Shares, at his own risk, free

of charge, a definitive certificate for the appropriate number of fully paid "B" Ordinary Shares and "C" Deferred Shares. In the meantime transfers shall be certified against the Register.

- (vii) In the event that the issued "B" Ordinary Share capital of the Company has been admitted to the Official List of The Stock Exchange ("Official List") (and such permission or admission remains in force) the Company shall use reasonable endeavours (which shall include application at the time at which the "B" Ordinary Shares were admitted to the Official List for automatic admission to the Official List of the "B" Ordinary Shares arising on conversion of the Preference Shares, subject only to conversion taking place) to procure that the "B" Ordinary Shares arising on conversion of the Preference Shares are also admitted to the Official List at the earliest practicable date following conversion.
- (viii) If, whilst any Preference Shares remain capable of being converted into "B" Ordinary Shares, the "B" Ordinary Shares shall be consolidated or subdivided or the Company shall buy in any of its "B" Ordinary Share capital then the number of "B" Ordinary Shares to be issued on any subsequent conversion of the Preference Shares shall be reduced or increased accordingly and if any doubt shall arise as to the number thereof the certificate of the auditors of the Company shall be conclusive and binding on all concerned.
- (ix) The directors of the Company shall implement any conversion of Preference Shares as is contemplated in this article 6(b) in accordance with article 6(b)(C)(i) or 6(b)(C)(iv) as the case may be or, if agreed by the holder(s) of the Preference Shares concerned and all of the directors of the Company, by such other legally permissible method as shall neither affect the rights attaching to any class of shares in the Company nor be detrimental to any shareholder of any class of share in the Company. In the event that there are two or more such other legally permissible methods then (unless the holder(s) of the Preference Shares concerned and the directors of the Company unanimously decide otherwise) the auditors of the Company shall be asked to decide on the method to be adopted and the directors shall thereafter promptly effect the conversion in question by such method.

(D) Redemption

- (i) If the Preference Share Conversion Date shall not have occurred on or before 31 December 2001 ("the Mandatory Redemption Date"), the Company shall be bound to redeem all of the Preference Shares then outstanding at £5 per share.
- (ii) If on the Mandatory Redemption Date the Company cannot comply with any statute regulating redemption then the Company shall redeem the shares then overdue for redemption on such later date on

which the Company shall first be able so to comply (having regard to the level of cumulated undistributed profits or proceeds of any share issue from time to time lawfully available for such purpose) and shall not delay in effecting such redemption. The obligation of the Company to pay the "C" Special Bonus Dividend shall (if the Company shall have become liable to pay the same) take priority to such redemption obligations. This article 6(b)(D)(ii) shall operate without prejudice to the increased preferential dividend rate provided for in article 6(b)(A) in such circumstances.

- (iii) In addition to payment of the fixed sum per Preference Share ascertained in accordance with article 6(b)(D)(i) above, there will also be paid on the date of redemption all arrears and accruals of dividends (including, if applicable, the "C" Special Bonus Dividend and the Bonus Dividend) calculated down to and including the Mandatory Redemption Date or, in the circumstances contemplated in article 6(b)(D)(ii), the subsequent date of redemption, whether any such dividend has been earned or declared or not together with all arrears and accruals of Default Interest (if any).
- (iv) The Preference Shares to be redeemed in accordance with the foregoing provisions of this article 6(b)(D) shall be redeemed by the Company at the Registered Office of the Company for the time being.
- (v) On the Mandatory Redemption Date and at the place specified in article 6(b)(D)(iv) above each registered holder of Preference Shares shall be bound to surrender to the Company the Certificate for the Preference Shares which are to be redeemed in order that the same may be cancelled and upon each surrender the Company shall pay to him the amount payable in respect of such redemption PROVIDED THAT if any Certificate so surrendered to the Company includes any Preference Shares which the Company is not permitted by law to redeem on the occasion on which it is to be so surrendered, a fresh Certificate for the balance of the shares not redeemable on that occasion shall be issued to the holder surrendering such Certificate to the Company.

(E) Voting and General Meetings

- (i) The holders of the Preference Shares shall, by virtue of or in respect of their holdings of Preference Shares, have the right to receive notice of all general meetings of the Company but not to attend, speak or vote at a general meeting of the Company unless either (i) at the date of such meeting, the preferential dividend on such shares is in arrears by seven days or more or (ii) a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares or for the winding up of the Company in which case such holders shall have the right

to attend the general meeting and shall be entitled to vote only on such resolution. For the avoidance of doubt it is hereby declared that any resolution for the disapplication of any pre-emption rights applicable on the issue of ordinary shares in the Company shall be deemed not to abrogate, vary or modify such rights or privileges.

- (ii) Whenever the holders of the Preference Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who is present in person or by proxy shall have one vote and on a poll the holder(s) thereof who are present in person or by proxy shall have one vote in respect of each 3,200 fully paid Preference Shares registered in the name of such holder (with the number of votes rounded down where the number of Preference Shares held by the Preference Shareholder in question is not divisible by 125).

(F) Other Provisions

So long as any Preference Shares remain capable of being converted by the holders thereof into "B" Ordinary Shares then, save with such consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares, the Company shall procure that at all times there shall be sufficient unissued "B" Ordinary Share capital and unissued "C" Deferred Share capital available for the purposes of satisfying the conversion provisions of this Article 6(b).

- (c) The special rights, restrictions and provisions applicable to the "C" Special Deferred Share are as follows:

(A) "C" Special Bonus Dividend

- (i) The holder of the "C" Special Deferred Share shall be paid a fixed dividend ("the "C" Special Bonus Dividend") on the Special Bonus Applicable Date (as defined in article 6(c)(A)(viii) or on the date when the Preference Shares convert into "B" Ordinary Shares (whichever is earlier) ("the Bonus Dividend Date").
- (ii) The amount of the "C" Special Bonus Dividend shall be £400,000 (exclusive of any associated tax credit) subject as set out in subparagraph (iii) of this article.
- (iii) The Company shall be entitled (but not obliged) to pay the "C" Special Bonus Dividend to the holder of the "C" Special Deferred Share in advance of the Bonus Dividend Date and the amount of the "C" Special Bonus Dividend in such circumstances shall be £200,000 (exclusive of any associated tax credit) (if such advanced payment of the "C" Special Bonus Dividend is made on or before 31 December 1997) or £400,000 (exclusive of any associated tax credit) (if such

advanced payment of the "C" Special Bonus Dividend is made at any time thereafter).

- (iv) The holder of the "C" Special Deferred Share shall not be entitled to any further right of participation in the profits of the Company PROVIDED THAT if at any time the "C" Special Bonus Dividend is due and payable by the Company to the holder of the "C" Special Deferred Share (and it shall be due and payable from the Bonus Dividend Date whether or not the Company has cumulated undistributed profits from which such payment can lawfully be made) but the Company fails to pay the "C" Special Bonus Dividend whether or not it has cumulated undistributed profits from which the payment of the "C" Special Bonus Dividend can be lawfully made, then the Company shall pay interest ("Default Interest") at the rate of 22% per annum (calculated on a daily basis) on the amount of the outstanding "C" Special Bonus Dividend from the Bonus Dividend Date to and including the date of payment. Subject thereto and to the rights attaching to the Preference Shares, the balance of available profits shall be distributed in accordance with article 5(a) of these articles and article 5(a) shall be varied accordingly PROVIDED THAT nothing in this article 6(c) shall prevent the declaration and payment of dividends to ordinary shareholders and to Preference Shareholders at all times prior to the Bonus Dividend Date.
- (v) Any payment of the "C" Special Bonus Dividend shall be made to the holder on the register at any date selected by the directors of the Company up to 42 days prior to the relevant date.
- (vi) The issue or creation of any other share having a right to participate in the "C" Special Bonus Dividend shall be deemed to be a variation to the rights attaching to the "C" Special Deferred Share.
- (vii) Any alteration to article 6(b)(C)(ii) or (iii) shall be deemed to be a variation to the rights attaching to the "C" Special Deferred Share.
- (viii) For the purposes of this article 6(c)(A) the "Special Bonus Applicable Date" shall be the date which is the earlier of:
 - (I) the date of adoption in general meeting of the Company of audited consolidated accounts of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) prepared as at 31 December in any calendar year which show the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) to be such amount as is at least equal to £14,000,000 minus the aggregate amount of dividends paid by the Company during the period from 20 December 1996 to the balance sheet date of the applicable audited consolidated accounts of which have been deducted in

calculating the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) and anything treated as a distribution for tax purposes and irrecoverable ACT on such dividends and distributions;

- (II) the date on which the auditors of the Company deliver to the board of directors of the Company a written certificate issued by such auditors stating that in their opinion the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries and determined on a consistent basis with that adopted in preparing the audited accounts of the Company) was (at the date specified in such written certificate) an amount at least equal to £14,000,000 minus the aggregate amount of dividends paid by the Company during the period from 20 December 1996 to the date so specified in such written certificate or which have been deducted in calculating the Consolidated Net Asset Value of the Company and its subsidiaries (after taking into account minority interests in subsidiaries) and anything treated as a distribution for tax purposes and irrecoverable ACT on such dividends and distributions.

(B) Capital

On a return of capital, whether on a winding up or (other than on a conversion, redemption or purchase of shares) otherwise, the rights attaching to the "C" Special Deferred Share are as provided for in article 6(b)(B)(i).

(C) Conversion

No rights of conversion shall attach to the "C" Special Deferred Share.

(D) Redemption

No right to redemption shall attach to the "C" Special Deferred Share.

(E) Voting and General Meetings

- (i) The holder of the "C" Special Deferred Share shall have no right to receive notice of nor to attend any general meeting of the Company unless the "C" Special Bonus Dividend has not previously been paid and a resolution is proposed abrogating, varying or modifying any of the rights or privileges of the "C" Special Deferred Share or for the winding up of the Company in which case such holder shall have the right to attend the general meeting and shall be entitled to vote only on such resolution. For the avoidance of doubt it is hereby declared that any resolution for the disapplication of any pre-emption rights

applicable on the issue of ordinary shares in the Company shall be deemed not to abrogate, vary or modify such rights or privileges.

- (ii) Wherever the holder of the "C" Special Deferred Share is entitled to vote at a general meeting of the Company upon any resolution proposed at such meeting, such holder shall whether on a show of hands or on a poll on any such resolution abrogating varying or modifying any of the rights or privileges of the "C" Special Deferred Share have such number of votes as shall be equal to 75% of the total number of votes (including those conferred by this provision) cast on such resolution.

SHARES

- 7. (a) Subject to the provisions of Table A and to the provisions of these articles, in particular the provisions of article 4(d), the directors are generally and unconditionally authorised to exercise any power of the Company to offer, allot or grant rights to subscribe for or convert securities into or otherwise dispose of any shares (or interests in shares) in the Company, or any other relevant securities, up to the authorised share capital of the Company as at the date of adoption of these articles, to such persons, at such times and generally on such terms and conditions as the directors think proper provided that such authority shall only apply insofar as the Company in general meeting shall not have varied, renewed or revoked the same and provided that such authority may only be exercised within five years commencing upon the date of the adoption of these articles.
- (b) Any offer or agreement in respect of relevant securities, which is made by the Company prior to the expiration of such authority and in all other respects within the terms of such authority, shall be authorised to be made, notwithstanding that such offer or agreement would or might require relevant securities to be allotted after the expiration of such authority and, accordingly, the directors may at any time allot any relevant securities in pursuance of such offer or agreement.
- (c) The authority conferred upon the directors to allot relevant securities may at any time, by ordinary resolution of the Company in general meeting, be revoked, varied or renewed (whether or not it has been previously renewed under these articles) for a further period not exceeding five years.
- 8. (a) Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall apply to any allotment of equity securities by the Company.
- (b) All equity securities (which expression shall not include the Preference Shares nor the "C" Deferred Shares nor the "C" Special Deferred Share) which shall be acquired on issue by a holder of "A" Ordinary Shares shall be designated "A" Ordinary Shares and all equity securities acquired on issue by a holder of "B" Ordinary Shares shall be designated "B" Ordinary Shares.

- (c) Where any renounceable allotment letters or other renounceable documents are issued by the Company in respect of the issue or offer of any shares, the directors may at their discretion impose such restrictions as they may think fit upon the right of any allottee or other person to whom the offer is made to renounce the shares so allotted or offered.
9. Regulation 6 of Table A shall be altered by inserting after the words "one or more of his shares" the words and brackets "(save that shares of different classes may not be included in the same certificate)".

LIEN

10. In regulation 8 of Table A the words and brackets "(not being a fully paid share)" shall be omitted.

TRANSFER OF SHARES

11. No share and no interest in shares shall be transferred to any person otherwise than in accordance with the provisions of these articles.
12. The instrument of transfer of any fully paid shares shall be executed by or on behalf of the transferor, but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members of the Company in respect of such shares. In the case of a partly paid share, the instrument of transfer must also be executed by or on behalf of the transferee.
13. No shares and no interest in shares may be transferred to any infant, bankrupt or person of unsound mind.
14. (a) A member being a body corporate may at any time transfer all or any of its shares to an Associated Company. For the purposes of this article, the expression "Associated Company" means in relation to the transferor company a company which is for the time being a holding company (as defined in section 736 of the Companies Act 1985 as amended by the Companies Act 1989) of the transferor company or a subsidiary (as defined in that section) of the transferor company or of any such holding company PROVIDED THAT unless prior consent in writing to the contrary shall have been given by the holders of 75% of the ordinary shares in the company excluding those shares the subject of the transfer if and when the transferee shall cease to be an Associated Company of the transferor company then such shares shall be re-transferred to the transferor company or to another Associated Company of the transferor company.
- (b) Any holder being an individual ("the holder") may at any time transfer all or any shares held by him:
- (i) to a privileged relation; or

- (ii) to trustees to be held upon family trusts

(together "Permitted Transferees").
 - (c) Where shares are held by trustees upon family trusts:
 - (i) such shares may on any change of trustees be transferred to the new trustees;
 - (ii) such shares may at any time be transferred either back to the holder or to any person to whom under paragraph (b) of this article the same could have been transferred by the settlor if he had remained the holder of such shares; and
 - (iii) if and whenever any such shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised by sub-paragraph (ii) of this paragraph) the trustees shall forthwith give a transfer notice in respect of the shares in question and such shares may not otherwise be transferred.
 - (d) For the purpose of this article:
 - (i) "privileged relation" in relation to a holder means the spouse of the holder and such holder's children and grandchildren (including step and adopted children and grandchildren);
 - (ii) "family trusts" in relation to such holder means trusts under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the holder or 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 of such trust; and
 - (iii) "settlor" includes the holder and a testator or an intestate in relation to family trusts arising respectively under a testamentary disposition or an intestacy.
15. The directors shall register a transfer made in accordance with the provisions of article 14 but, save as aforesaid, and unless in any particular case all the members for the time being shall otherwise agree in writing, none of the shares of the Company shall be transferred except in accordance with article 16.
16. Except in the case of a transfer of shares expressly authorised or required by article 14, the right of any member to transfer shares or to dispose of any shares or any interest in shares in the Company shall be subject to the following restrictions and provisions, namely:
- (a) Subject as otherwise provided in this article 16, before transferring any shares or any interest in any shares the person proposing to transfer the same ("the proposing transferor") shall give a notice in writing sent by registered post ("the transfer notice") to the directors at the registered office of the Company for the time being that he desires to transfer the same. In the transfer notice the proposing transferor

shall specify the price per share which he is willing to accept for the shares comprised in such transfer notice and the identity of the person (if any) who has indicated a willingness to purchase such shares at such price and the value per share of any cash or non-cash consideration which such person is proposing to pay the proposing transferor and the price so specified is below referred to as "the prescribed price per share". The transfer notice shall constitute the Company as the agent of the proposing transferor for the sale of the shares mentioned in such transfer notice (together with all rights then attaching thereto) at the prescribed price per share. Shares of different classes shall not be included in the same transfer notice.

- (b) A transfer notice shall only be capable of being served by a member in respect of the whole of that member's holding of shares and not in respect of part only of its holding.
- (c) Forthwith upon receipt of any transfer notice (or, in the circumstances contemplated by article 17, as soon as the prescribed price per share has been established) the directors shall offer the shares comprised in such transfer notice (and whatever the class of such shares) for purchase at the prescribed price per share

first to all members (other than

- (a) the member by whom or in respect of whose shares the transfer notice has been given or deemed to be given; and
- (b) any member to whom under the provisions of article 13 shares may not be transferred)

holding "A" Ordinary Shares on the terms that in case of competition the shares so offered shall be sold to the members accepting the offer in proportion (as nearly as may be and without increasing the number sold to any member beyond the number applied for by him) to their existing holdings of "A" Ordinary Shares;

and in so far as such offer shall not be accepted by such members;

secondly to all members (other than

- (a) the member by whom or in respect of whose shares the transfer notice has been given or deemed to be given; and
- (b) any member to whom, under the provisions of article 13 shares may not be transferred)

holding "B" Ordinary Shares on the terms that in the case of competition the shares so offered shall be sold to the members accepting the offer in proportion (as nearly as may be and without increasing the number sold to any member beyond the number applied for by him) to their existing holdings of "B" Ordinary Shares.

The offer which shall be by notice in writing and sent by registered post, shall be on identical terms for each of such holders, shall specify the total number of shares on offer, the proportionate entitlement of the relevant holder and the prescribed price per share and shall invite each of such holders to state in writing by registered post within a period of 30 days whether he is willing to take any, and if so what maximum, number of the shares on offer. Any such offer shall be subject to paragraph (e) of this article.

- (d) The directors shall give notice in writing to the proposing transferor of the identity of any member or members ("purchaser" or "purchasers") accepting the offer, and of the number of shares agreed to be purchased, and upon receipt of that notice and subject to the provisions of paragraph (e) of this article the proposing transferor shall be bound, upon payment of the prescribed price per share for each of such shares, to transfer such shares to the purchaser or respective purchasers of such shares. The purchase shall be completed within 15 days of receipt of that notice by the proposing transferor at the registered office of the Company (or at such other place as may be appointed by the directors).
- (e) If the offer is not duly accepted in respect of all the shares comprised in the transfer notice the proposing transferor shall at any time within six months after the expiry of the offer be entitled (but not bound) to transfer all or any of the shares comprised in the transfer notice (or, at the option of the proposing transferor notified to the directors within seven days of the relevant notification to him pursuant to paragraph (d) of this article, the number in respect of which the offer is not duly accepted) on a bona fide sale to any person or persons at any price per share not being less than the prescribed price per share (having regard to the value per share both of cash and non-cash consideration).
- (f) All members of the Company may at any time agree in writing to waive the provisions of this article 16.

17. (a) In the event that:

- (i) a member is adjudged to be bankrupt;
- (ii) a member (being a natural person) dies;
- (iii) a member (which is a body corporate) shall have gone into liquidation or similar status in the country of its incorporation or undergone a change of control as a result of an acquisition, merger or other transaction;
- (iv) any pledge, mortgage, charge or other encumbrance is enforced against any of the shares of a member or an administrative receiver is validly appointed over any of the shares of a member; or
- (v) a member (being an employee of the Company or a subsidiary of the Company) ceases through his resignation to be employed by the Company or a subsidiary of the Company other than by his resigning in circumstances in which he has a valid claim for constructive dismissal

then for the purposes of this article 17, the relevant member will be a "Defaulting Shareholder" and the relevant event shall constitute an "Event of Default". On the occurrence of an Event of Default, any of the other holders of ordinary shares shall be entitled to require the Defaulting Shareholder to serve a Transfer Notice in respect of all of the shares (or, in the case of an Event of Default as described in article 17(a)(iv) in respect of the shares against which the encumbrance is enforced or over which an administrative receiver is appointed) then registered in the names of any of such person. Any such requirement shall be notified in writing within six months of the date on which the giver of the notice becomes aware of the Event of Default.

- (b) In any case where a Transfer Notice has been duly required to be given under this article 17 in respect of any shares and such Transfer Notice is not given within one month of the due date, such Transfer Notice shall be deemed to have been given at the expiration of the said period and the parties shall act in respect of the shares in question accordingly.
- (c) In the case where a Transfer Notice has been duly required or is deemed to be given under articles 17(a) and/or (b) in respect of any shares then the "prescribed price per share" shall be:
 - (i) in the case of ordinary shares and an Event of Default under article 17(a)(ii) (and in the case of all Preference Shares, all "C" Deferred Shares and the "C" Special Deferred Share, in all circumstances), the fair value of each share concerned as determined by the auditors of the Company for the time being ("the Auditors"). The "fair value" of the shares in question shall be the market value of such shares as between a willing seller and a willing buyer but save that no account shall be taken of the fact that the shares in question do or do not constitute a minority holding in the Company; and
 - (ii) in the case of ordinary shares and any other Event of Default, shall be the net asset value of the Company and its subsidiaries on a consolidated basis (after taking account of minority interests in subsidiaries of the Company) ("the Net Asset Value") as shown in the last set of audited consolidated accounts of the Company and its subsidiaries (after taking account of minority interests in subsidiaries) divided by the number of ordinary shares in issue (if, at the date of the Transfer Notice or deemed Transfer Notice, not more than six months has elapsed since the balance sheet date as at which such accounts were prepared), or, if more than six months has elapsed, the prescribed price per share shall be the Net Asset Value calculated as at the date of the Transfer Notice or deemed Transfer Notice and determined by the Auditors, divided by the number of ordinary shares in issue.
- (d) The directors shall ensure that any determination required to be made by the Auditors shall be made within one month of the date of the Transfer Notice or deemed Transfer Notice. The Auditors shall act as experts and not as arbitrators and, in the absence of manifest error, their decision shall be final and binding on

all the members. The costs of such determination shall be borne by the party requiring the giving of the Transfer Notice in question.

PROCEEDINGS AT GENERAL MEETINGS

18. (a) No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business and also when such business shall be voted upon. Two members (one of whom shall be a holder of "A" Ordinary Shares and the other of whom shall be a holder of "B" Ordinary Shares) present in person or by proxy shall be a quorum for all purposes.
- (b) If any general meeting convened shall be inquorate then such meeting shall be deemed to be adjourned to be held at the same time and at the same place on the date which is seven days from the date of the general meeting so deemed to be adjourned. The quorum at any such adjourned meeting shall be two members (one of whom shall be a holder of "A" Ordinary Shares and the other of whom shall be a holder of "B" Ordinary Shares) present in person or by proxy. If any general meeting as so adjourned shall be inquorate then such meeting shall be deemed to be further adjourned to be held at the same time and at the same place on the date which is seven days from the date of the general meeting so deemed to be re-adjourned. The quorum at any such re-adjourned meeting shall be any two members holding ordinary shares present in person or by proxy.
- (c) 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.
- (d) Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in respect of their right to appoint proxies. Notices of and other communications relating to any general meeting which any member is entitled to receive shall also be sent to the directors and to the auditors for the time being of the Company.
19. (a) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration by the chairman of the result of the show of hands, demanded in accordance with article 18(b).
- (b) If at any general meeting any votes shall be counted which ought not to have been counted, or not be counted which ought to have been counted, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, and not in that case unless it shall, in the opinion of the chairman of the meeting, be of sufficient magnitude to vitiate the result of the voting.
- (c) In regulation 54 of Table A the words ",not being himself a member entitled to vote," shall be deleted.
20. Any member or member's proxy or duly authorised representative (being a corporation) may participate in a general meeting or a meeting of a class of members of the Company by means of conference telephones or similar communications system whereby all those

participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

MEMBERS' ASSENT

21. (a) Pursuant to the rights and powers under common law of all members having the right to receive notice of and to attend and vote at general meetings to assent or agree to any matter, such members' assent or agreement to any matter may (without limitation), if written be evidenced by one or more documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the assent or agreement and signed by or on behalf of or otherwise emanating from one or more of such members. Any such signature may be given personally or by a duly appointed attorney or in the case of a body corporate by an officer or by its duly authorised corporate representative.
- (b) The provisions of article 21(a) are in addition to and not exclusive of:
- (i) any other rights and powers under common law of all members or any class of members having the right to attend and vote at general meetings to assent or agree to or ratify any matter or to pass any resolution by unanimous written consent; and
 - (ii) any statutory rights of the members or any class of members under sections 381A and 381B of and schedule 15A to the Act,

all of which rights and powers may be exercised by the members as an alternative to the unanimous assent or agreement referred to in article 21(a).

PROXIES

22. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority may be handed to the chairman of the relevant meeting and regulation 62 of Table A shall be modified accordingly.

DIRECTORS

23. (a) Unless otherwise determined by special resolution of the Company the number of the directors shall be not fewer than two and not more than seven.

- (b) Any adult person may be appointed or elected as a director whatever may be his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.
- 24. (a) The holder or holders for the time being of the majority of the issued "A" Ordinary Shares shall (subject to article 23(a) not being infringed by any such appointment at the time in question) be entitled to appoint and maintain up to five persons as directors of the Company (to be known as the "A" Directors) and to remove from office any "A" Director so appointed and to appoint another person in the place of any person who shall have been so removed or shall have ceased for any reason to be an "A" Director.
- (b) The holder or holders for the time being of the majority of the issued "B" Ordinary Shares shall (subject to article 23(a) not being infringed by any such appointment at the time in question) be entitled to appoint and maintain up to four persons as directors of the Company (to be known as the "B" Directors) and to remove from office any "B" Director so appointed and to appoint another person in the place of the person who shall have been removed or who shall have ceased for any reason to be a "B" Director.
- (c) The "A" Directors, and the "B" Directors, shall together be known as "the Nominee Directors".
- (d) Any appointment or removal of a Nominee Director pursuant to paragraphs (a) or (b) above shall be effected by notice in writing to the Company signed by such member or members and shall take effect at and from the time when such notice is lodged at the registered office of the Company or produced to a meeting of the directors of the Company.
- (e) The holder or holders for the time being of Preference Shares or "C" Deferred Shares or of the "C" Special Deferred Share shall not be entitled to appoint or maintain any director of the Company.

BORROWING POWERS

- 25. The directors may exercise all the powers of the Company to borrow or raise money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage or charge over its undertaking, property and uncalled capital, or any part thereof and subject in the case of any security convertible into shares to section 80 of the Act to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

- 26. (a) A director who is in any way interested in a contract or a proposed contract with the Company (whether directly or indirectly) must declare the nature of his interest at any meeting of the directors or of a committee of the directors at which such

contract or proposed contract is to be discussed, or otherwise by notice to the directors in accordance with the provisions of the Act. Having made such disclosure a director shall be entitled to vote at a meeting of directors or of a committee of the directors in respect of such contract or proposed contract in which he is interested and shall also be counted in reckoning whether a quorum is present or deemed to be present at the meeting of the directors or, if relevant, the committee of the directors.

- (b) A director may, notwithstanding his office, hold and be remunerated in respect of any office or place of profit held in the Company provided that he has previously complied with all requirements of the Act relating to disclosure of interests, and he or any firm, company, or other body in which he has an interest may act in a professional capacity for the Company and be remunerated for such work and shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or place of profit. Regulation 85 of Table A shall be modified accordingly.
- (c) For the purposes of regulation 85 of Table A (as modified by articles 26(a) and (b)) a director shall be considered to be interested in any contract, transaction or arrangement (if he would not otherwise be so interested) in which he is treated as interested for the purposes of section 317 of the Act. In the case of any transaction or arrangement with the Company in which the director is interested, a general notice given by a director and which otherwise complies with regulation 86(a) of Table A shall not be a disclosure as provided in that regulation unless it relates to a specified company or firm or other body in which he is interested or to a specified person who is connected with the director within the meaning of section 346 of the Act. Regulation 86 of Table A shall be modified accordingly.

DISQUALIFICATION OF DIRECTORS

27. The office of a director shall be vacated immediately:
- (a) if (not being precluded from so doing by the terms of any contract with the Company) by notice to the Company he resigns the office of director; or
 - (b) if he is or becomes bankrupt or insolvent or enters into any arrangement with his creditors; or
 - (c) if he is or becomes incapable by reason of illness, injury or mental disorder of exercising his functions as a director properly; or
 - (d) if he is removed from office by a resolution duly passed pursuant to section 303 of the Act; or
 - (e) if he is prohibited from being a director by an order made under the Company Directors Disqualification Act 1986 or otherwise by law.

ROTATION OF DIRECTORS

28. The directors shall not be liable to retirement by rotation and accordingly the words "and may also determine the rotation in which any additional directors are to retire" in regulation 78 of Table A and the second and third sentences in regulation 79 of Table A shall not apply to the Company and nor shall any other references to retirement by rotation in Table A.

PROCEEDINGS OF DIRECTORS

29. (a) The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless at least one "A" Director and one "B" Director indicate their willingness to accept shorter notice of a meeting of directors, no fewer than 5 business days prior notice of the time and place of each meeting of directors shall be given to each director.
- (b) A director may, and the secretary on the requisition of a director shall, at any time call a meeting of the directors. Notice of every meeting of the directors shall be given to every director, but the non-receipt of notice by any director shall not invalidate the proceedings at any meeting of the directors.
30. (a) The quorum necessary for the transaction of the business of the directors shall be two, one of whom shall be an "A" Director and the other of whom shall be a "B" Director. If any meeting of the directors convened shall be inquorate then such meeting shall be deemed to be adjourned to be held at such time and place as the Chairman may specify (not being less than five business days nor more than ten business days from the date of the adjourned meeting) but otherwise at the same time and at the same place on the date which is five business days from the date of the meeting of directors so deemed to be adjourned. The quorum necessary for the transaction of business at any such adjourned meeting shall be two directors, one of whom shall be an "A" Director and the other of whom shall be a "B" Director. If any meeting of the directors as so adjourned shall be inquorate then such adjourned meeting shall be deemed to be re-adjourned to be held at such time and place as the chairman may specify (not being less than five business days nor more than ten business days from the date of the re-adjourned meeting) but otherwise at the same time and at the same place on the date which is five business days from the date of the meeting of directors so deemed to be re-adjourned. The quorum necessary for the transaction of business at any such re-adjourned meeting shall be two directors. The "A" Directors shall nominate the chairman of the Board of Directors from year to year. The chairman shall not have a second or casting vote at meetings of the board and of any committee thereof.
- (b) Questions arising at a meeting shall be decided by a majority of votes PROVIDED THAT
- (i) if at any meeting of the directors or any committee any "A" Director is not present in person or represented by an alternate director the votes of the "A" Director or "A" Directors (if any) present in person or represented by an

alternate director shall be pro tanto increased so that such "A" Director or "A" Directors shall be entitled to cast the same aggregate number of votes as could be cast by the "A" Directors if they were all present;

- (ii) if at any meeting of the directors or of any committee any "B" Director is not present in person or represented by an alternate director the votes of the "B" Director or "B" Directors (if any) present in person or represented by an alternate director shall be pro tanto increased so that such "B" Director or "B" Directors shall be entitled to cast the same aggregate number of votes as could be cast by the "B" Directors if they were all present.

- 31. (a) A resolution of all the directors for the time being entitled to receive notice of meetings of directors shall be as valid and effective as if it had been passed at a meeting of the directors duly convened and held, and may consist of several documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the resolution and each signed by or emanating from one or more of the directors.
 - (b) Any director may participate in a meeting of directors by means of a conference telephone or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.
 - (c) All directors whether or not absent from the United Kingdom shall be entitled to receive notice of meetings of the directors.
32. Any meetings of a committee appointed under regulation 72 of Table A shall be governed mutatis mutandis by articles 29, 30 and 31 of these articles.

SECRETARY

- 33. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. The directors may from time to time by resolution appoint one or more joint, assistant or deputy secretaries to exercise the function of the secretary. Regulation 99 of Table A shall be modified accordingly.

MANAGING OR EXECUTIVE DIRECTORS

- 34. (a) The directors may from time to time appoint one or more of their number to an executive office (including that of managing director, manager or any other salaried office) for such period and upon such terms as they think fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such

appointment. A director so appointed to an executive office shall (without being entitled to make any claim for damages for breach of any contract of service or claim for compensation between him and the Company) ipso facto cease to hold that office (unless otherwise agreed between himself and the Company), if he ceases from any cause to be a director.

- (b) The managing director, manager or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a director) as the directors may from time to time determine.
- (c) The directors may entrust to and confer upon a managing director, manager or other executive officer as aforesaid any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time withdraw, alter or vary all or any of such powers.

ALTERNATE DIRECTORS

- 35. (a) Any director may at any time appoint another director or any other person to be his alternate director and may at any time terminate such appointment. Any such appointment or removal shall be by notice from the director to the Company.
- (b) Any person appointed as an alternate director shall vacate his office as such alternate director if and when the director by whom he has been appointed vacates his office as director otherwise than by retirement and re-election at the same meeting and upon the happening of any event which, if he were a director would cause him to vacate such office.
- (c) An alternate director shall 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 articles shall apply mutatis mutandis as if he were a director. If an alternate director is himself a director, he shall be entitled in such circumstances as aforesaid to exercise the vote of the director for whom he is an alternate in addition to his own vote. If an alternate director's appointor does not sign the same the alternate director's signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. The foregoing provisions of this article 35(c) shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member.
- (d) Any alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements and 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 to the Company from time to time direct.

CAPITALISATION OF PROFITS

36. Regulation 110 of Table A shall be altered by inserting the following proviso at the end of the regulation: "Provided that on any occasion when equity securities shall be allotted and distributed credited as fully paid up as aforesaid "A" Ordinary Shares only shall be allotted to the holders of the "A" Ordinary Shares and "B" Ordinary Shares only shall be allotted to the holders of "B" Ordinary Shares."

PENSIONS AND ALLOWANCES

37. The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a holding company or a subsidiary of the Company or is allied to or associated with the Company or with any such holding company or subsidiary, or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and the wives, widows, families, relations and dependants of any such persons, and establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, subject always, if so required by law, to particulars with respect to the proposed payment being approved by the Company, and a director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

THE SEAL

38. (a) If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any document to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal.
- (b) The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

- (c) The Company may dispense with the need for a company seal insofar as permitted by the Act.

NOTICE

39. (a) Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- (b) Any notice to be given under these articles may be delivered personally or sent by first class post (airmail if overseas) or by telex or facsimile.

- (c) The address for service of any notice shall be as follows:

in the case of a member or his legal personal representative or trustee in bankruptcy:	such member's address as shown in the Company's register of members of the Company;
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in the case of a director:	his last known address or at the address notified by him to the Company for that purpose;
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in the case of a meeting of the directors:	the place of the meeting;
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in the case of the Company:	its registered office; and
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in the case of any other person:	to his or its last known address.
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- (d) Any such notice shall be deemed to have been served and be effective:
- (i) if delivered personally, at the time of delivery;
 - (ii) if posted, on receipt or at the expiry of two Business Days (or in the case of airmail five Business Days) after it was posted, whichever occurs first;
 - (iii) if sent by telex or facsimile, at the time of transmission (if sent during normal business hours, that is 9.30 to 17.30 local time in the place to which it was sent) or (if not sent during such normal business hours) at the beginning of the next day in the place to which it was sent; and

- (iv) if sent by cable or telegram, at the time of delivery.

For the purposes of this article 39, "Business Day" means any day other than a Saturday, Sunday or any day which is a public holiday in the place or places at which the transaction in question is being effected or the notice in question is being effected.

- (e) In proving such service it shall be sufficient to prove that personal delivery was made, or that such notice was properly addressed stamped and posted or in the case of a telex that the intended recipient's answerback code is shown on the copy retained by the sender at the beginning and end of the message or in the case of a facsimile that an activity or other report from the sender's facsimile machine can be produced in respect of the notice showing the recipient's facsimile number and the number of pages transmitted.
- (f) In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding. Notice so given shall constitute notice to all the joint holders.

WINDING UP

- 40. Regulation 117 shall operate subject to the rights attaching to the different classes of share in the Company (and in particular to the provisions of article 6(b)(B)). Subject to the foregoing, in regulation 117, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

INDEMNITY

- 41. Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 144 or 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this article shall only have effect insofar as its provisions are not avoided by section 310 of the Act.