

PUNTER SOUTHALL & CO LIMITED

(company number 3842603)

**Written resolution passed under
section 381A Companies Act 1985**

Ordinary resolutions

1. That the existing issued and unissued £1,000 authorised share capital be converted from 1,000 ordinary shares of £1 each to 100,000 ordinary shares of £0.01 each.
2. That the authorised share capital of the company is increased from £1,000 to £500,000 by creating 49,999,000 additional ordinary shares of £0.01 each.

Special resolutions

3. That the existing articles of association no longer apply to the company, and that the regulations contained in the document marked "A" attached to this resolution, a copy of which has been signed by the chairman for the purpose of identification, are adopted as the new articles of the company with immediate effect.
4. That, under section 95(1) CA 1985, the directors are authorised to allot equity securities, as defined in section 94(2) CA 1985, under the authority conferred by resolution number 2 as if section 89(1) CA 1985 did not apply to the allotment up to an aggregate nominal amount of £100,000, such power to expire five years from the date of the resolution or, if earlier, the date of the next annual general meeting.

Elizabeth Sattou

Member

Date: (November) 1999

Kenneth McKelvey

Member

(under power of attorney)
for Nages Dattajee



PUNTER SOUTHALL & CO LIMITED
NEW ARTICLES OF ASSOCIATION
The Companies Acts 1985 and 1989
Company limited by shares

(Adopted by special resolution passed
on 1/11/1999)

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The Companies Acts 1985-89

Company Limited by Shares

New Articles of Association

of

Punter Southall & Co Limited

(Adopted by special resolution passed on 14/1999)

1. Preliminary

- 1.1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 (**Table A**) apply to the company except insofar as they are varied or excluded by or are inconsistent with these articles of association (**articles**).
- 1.2 Any reference in these articles to a regulation is construed as a reference to the regulation of that number contained in Table A and any reference to the **Act** is a reference to the Companies Act 1985.
- 1.3 Words and expressions defined in the Act have the same meaning as in these articles, unless the context otherwise requires.
- 1.4 Any reference in these articles to any statute or statutory provision is construed as a reference to such statute or statutory provision as amended, modified, consolidated or re-enacted from time to time.
- 1.5 Where the context so requires, words importing the singular number include the plural and vice versa and words importing the masculine include the feminine.
- 1.6 The headings are inserted for convenience and do not affect the construction of the articles.

2. Share capital

- 2.1 The share capital of the company at the date of the adoption of these articles is £500,000 divided into 50,000,000 ordinary shares of 1p each.
- 2.2 Subject to the provisions of section 80 of the Act, the directors are authorised to exercise the power of the company to allot from time to time all or any of the shares of the company which have not for the time being been allotted at such time or times and on such conditions as they in their absolute discretion think fit, but:



- 2.2.1 this authority will expire five years from the date of adoption of these articles; and
- 2.2.2 the aggregate number of shares which the directors may allot pursuant to this authority may not exceed the number of unissued shares in the authorised share capital of the company at the date of adoption of these articles.
- 2.3 Subject to the provisions of these articles, all unissued shares are at the disposal of the directors, and they may allot, grant options over or otherwise deal with or dispose of them to such persons, at such times, and generally upon such terms as they think fit.
- 2.4 Subject to the provisions of chapter VII of part V of the Act, the company may:
 - 2.4.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the shareholder;
 - 2.4.2 purchase its own shares, including any redeemable shares; and
 - 2.4.3 make a payment in respect of the redemption or purchase, under sections 159 and 160 or, as the case may be, section 162 of the Act and the relevant power contained in article 2.4.1 or 2.4.2, of any of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares to the extent permitted by sections 170 to 172 of the Act.
- 2.5 If at any time the share capital of the company is divided into different classes of shares, chapter II of part V of the Act applies to the variation of the rights attached to any such class.
- 2.6 The provisions of sections 369 and 370 of the Act and the provisions of these articles and of Table A relating to general meetings, so far as applicable, apply in relation to any meeting of shareholders required by section 125 of the Act or otherwise to take place in connection with the variation of the rights attached to a class of shares, and so apply with the necessary modifications and subject to the following provisions:
 - 2.6.1 the necessary quorum at any such meeting other than an *adjourned meeting* is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and, at an adjourned meeting, one person holding shares of the class in question or his proxy; and

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2.6.2 any holder of shares of the class in question present in person or by proxy may demand a poll.

3. Lien

3.1 The lien conferred by regulation 8 attaches to all shares registered in the name of any person indebted or under liability to the company, whether he is the sole or joint registered holder of them. The registration of a transfer of a share operates as a waiver of any lien by the company on that share.

3.2 The lien conferred by regulation 8 and any forfeiture under regulation 19 extends to all distributions and other money or property payable in respect of it.

4. Calls

4.1 The liability of any member in default in respect of a call is increased by the addition at the end of the first sentence of regulation 18 of the words "and all expenses that may have been incurred by the company by reason of such non-payment".

5. Transfer of shares

5.1 The directors in their absolute discretion may refuse to register any transfer of shares

5.2 The directors may remove or relax the restrictions referred to in article 5.1 wholly or partly or in any particular case at any time.

5.3 Except as provided in these articles, the instrument of transfer of a share must be signed by or on behalf of the transferor, and in the case of a transfer of a partly paid share also by the transferee, and the transferor will be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. Regulation 23 is modified accordingly.

5.4 Regulations 24, 26 and 29 to 31 do not apply.

5.5 No interest of any nature, whether legal or beneficial, in any share may be disposed of or created by any member by any means, including, without limitation, any declaration of trust, absolute or conditional sale agreement, option, agreement relating to any of the rights attached to any share to vote at general meetings, to receive dividends or to participate in a return of capital and agreements to do any of the above at a date in the future.

5.6 In the event of a shareholder who is also an employee of the company, or of one of its subsidiaries, ceasing to be so engaged

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(Departing Shareholder) for whatever reason other than his death the following provisions apply in the absence of any agreement to the contrary between the company and the Departing Shareholder:

- 5.6.1 The Departing Shareholder will be required to sell his entire shareholding to the other shareholders, pro rata to their existing shareholdings and/or to any qualifying share scheme that can legitimately purchase the shares, over a five year period commencing at the end of the month next following the month of departure (Sale Date);
- 5.6.2 The sale of shares will be by five equal instalments, by number of shares, the first being the Sale Date save that the directors may unilaterally determine that the shares shall be purchased according to a more rapid schedule of payments, or by a single payment;
- 5.6.3 The sale and purchase of shares shall be at a Fair Price which will be binding on the Departing Shareholder;
- 5.6.4 The fair price (**Fair Price**) will be the price determined at the Sale Date in each year as determined by a formula approved by the Inland Revenue for the purpose of the company's "approved" employee share arrangements should no such arrangements be in operation the Fair Price will be determined by the Auditors;
- 5.6.5 The auditors (**Auditors**) shall mean the auditors for the time being of the company, or if the company does not have auditors appointed, a chartered accountant nominated by the President for the time being of the Institute of Chartered Accountants for England and Wales;
- 5.6.6 The Auditors will carry out their valuation or valuations at the Sale Date or the anniversary of the Sale Date in each subsequent year or dates using a going concern basis and they shall act as experts and not as arbitrators;
- 5.7 If a proposed purchasing shareholder declines to accept the offer of shares from the Departing Shareholder, the directors will ensure that the relevant number of shares are distributed to the other continuing shareholders on a pro rata basis.
- 5.8 On the death of a Departing Shareholder the provisions of Table A apply.
- 5.9 The directors shall be under no obligation to maximize the sale proceeds for the Departing Shareholder nor to minimize his tax burden

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and no decision they shall make under these provisions shall be invalidated by reason of one or more of them being a shareholder or shareholders.

6. General meetings

- 6.1 The directors may call general meetings and, on the requisition of members pursuant to the Act, must immediately call an extraordinary general meeting not later than 28 days after the receipt of the requisition. If the directors fail to call a meeting within such time, the requisitionists or any of them representing more than one half of the total voting rights of the shares held by the requisitionists, may, subject to the Act, convene the meeting requisitioned for such date as they may select. Regulation 37 does not apply.

7. Notice of meetings

- 7.1 Every notice calling a general meeting must comply with the provisions of section 372 of the Act as to giving information to members in regard to their right to appoint proxies.
- 7.2 All business at extraordinary general meetings is deemed to be special business and must be notified in the notice convening the meeting.
- 7.3 All business transacted at an annual general meeting is also deemed special, with the exception of declaring dividends, the consideration of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the balance sheet, the appointment of directors in the place of those retiring by rotation or otherwise, the reappointment of the retiring auditors, other than retiring auditors who have been appointed by the directors to fill a casual vacancy, the fixing of the remuneration of the auditors, and the giving, varying, revoking or renewing of any authority or power for the purposes of section 80 of the Act.
- 7.4 Subject to the articles and to any restrictions imposed on any shares, a notice must be given to all members, to all persons known to be entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. Regulation 38 is modified accordingly.

8. Proceedings at general meetings

- 8.1 No business may be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or the duly appointed attorney of a member or a proxy for a member or a duly authorised representative of a corporation, are a quorum. Once a quorum is present, the

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meeting may proceed and transact its business even if during the meeting a quorum ceases to be present. Regulation 40 does not apply.

- 8.2 A poll may be demanded by any member present in person or by proxy and regulation 46 is modified accordingly.
- 8.3 In the case of an equality of votes, the chairman does not have a casting vote and regulation 50 does not apply.
- 8.4 Any such resolution as is referred to in regulation 53 may consist of several documents in the same form, each signed or approved in writing or by telex, cable or facsimile transmission by one or more of the members, or their duly authorised representatives or attorneys, referred to in that regulation.

9. Votes of members

- 9.1 Subject to any rights or restrictions attached to any shares, on a show of hands or on a poll every individual member who is present in person or by his duly appointed attorney or by proxy or every corporate member who is present by a duly authorised representative, not being himself a member entitled to vote, has one vote for each share of which he is the holder and regulation 54 is modified accordingly.

10. Directors

- 10.1 Unless and until otherwise determined by an ordinary resolution of the company, the number of the directors is not more than 12, excluding any directors appointed as alternate directors under article 11.1 Regulation 64 does not apply.
- 10.2 In the event of there being only one director appointed, such sole director may act alone in exercising all the powers, authorities and discretions vested in the board of directors.
- 10.3 A director need not hold any shares of the company to qualify him as a director.
- 10.4 A director, notwithstanding that he does not hold any shares in the capital of the company, is entitled to receive notice of and attend and speak at all general meetings of the company and at all separate general meetings of the holders of any class in the capital of the company.

11. Alternate directors

- 11.1 Any director, other than an alternate director, may appoint another director or any other person approved by a majority of the directors to

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be an alternate director and may remove from office an alternate director so appointed by him.

11.2 In regulation 66, the last sentence is deemed deleted.

12. Borrowing powers

12.1 The directors may exercise all powers of the company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and subject, in the case of any security convertible into shares, to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part of it, and 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.

13. Appointment and removal of directors

13.1 Regulations 73 to 80 do not apply.

13.2 Any person may be appointed a director, either to fill a casual vacancy in the number of the directors or as an additional director, either by a memorandum in writing signed by the holder or holders for the time being of a majority of the ordinary shares at any time and from time to time and sent to or left at the registered office of the company, or by an ordinary resolution of the company.

13.3 Without prejudice to article 13.2 any casual vacancy in the number of the directors may be filled by the directors and the directors may at any time and from time to time appoint any person as an additional director.

13.4 Subject to regulation 81 and in addition to and without prejudice to section 303 of the Act, the directors, however appointed, remain in office until removed by a memorandum in writing signed by the holder or holders for the time being of a majority of the ordinary shares and sent to or left at the registered office of the company, or by an ordinary resolution of the company. A person appointed in place of a director so removed is subject to retirement at the same time as if he had become a director on the day his predecessor was last elected a director.

14. Remuneration of directors

14.1 The directors may from time to time determine the amount of fees to be paid to the directors, which must not exceed in aggregate £100,000 per annum without the prior sanction of an ordinary resolution. Regulation 82 does not apply.

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15. Directors' expenses

- 15.1 The directors may be paid all travelling, hotel and other expenses wholly exclusively and necessarily incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the discharge of their duties. Regulation 83 does not apply.

16. Directors' interests

- 16.1 In regulation 84, the third sentence is deemed deleted.

17. Proceedings of directors

- 17.1 Notice in writing of meetings of the directors must be given at least 14 days in advance to each of the directors at his address in the United Kingdom whether present in the United Kingdom or not. The chairman of a meeting of the directors or of a committee of the directors will be elected by all the directors (and/or their alternates) present at the meeting. In the case of an equality of votes the chairman does not have a casting vote. The third and fifth sentence of regulation 88 is deemed deleted.
- 17.2 Notice of a meeting of the directors must include an agenda specifying in reasonable detail the matters to be discussed at the meeting. No business which is not within the direct scope of the agenda may be put to the vote at such meeting unless all the directors present otherwise agree.
- 17.3 The quorum necessary for the transaction of the business of directors is two, except in the case where there is a sole director. If a meeting of directors is attended by a director who is acting as an alternate for one or more other directors, the director or directors for whom he is the alternate are counted in the quorum despite their absence and, if there is a quorum, the meeting may be held despite the fact that only one director is physically present. Any director or alternate director who attends a meeting of directors by telephone or other conference facility is deemed to be personally present at that meeting for all purposes of these articles and is counted in the quorum accordingly. Regulation 89 is deemed modified accordingly.
- 17.4 Any such resolution as is referred to in regulation 93 may consist of several documents in the same form each signed or approved by in writing or by telex, cable or facsimile transmission by one or more of the directors or their alternates referred to in that regulation.

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- 17.5 A director who, pursuant to regulation 85, has declared at a meeting of the directors the nature and extent of his interest in a contract, proposed contract, transaction or arrangement with the company, is entitled to vote in respect of that contract, proposed contract, transaction or arrangement, or upon any matter arising from it and, if he does so, his vote is counted. He may be taken into account in ascertaining whether or not a quorum is present at the meeting of the directors or of the committee of directors at which the vote is taken. Regulations 94 and 95 do not apply.

18. The secretary

- 18.1 The secretary may be removed by the directors, but his removal is without prejudice to any claim for damages the secretary may have for breach of contract by the company. Regulation 99 is modified accordingly.

19. The seal

- 19.1 Any instrument expressed to be executed and delivered as a deed by the company and signed by two directors, or by one director and the secretary by the authority of the directors or of a committee authorised by the directors has effect as if executed under seal. The obligation under regulation 6 to sealing share certificates only applies if the company has a seal. Regulation 101 does not apply.
- 19.2 The company may exercise the power conferred by section 39 of the Act with regard to having an official seal for use abroad and such power is vested in the directors.

20. Dividends

- 20.1 Regulations 102 to 105 are subject to article 20 and in regulation 103 the words from "if the share capital is divided" to the end of the regulation are deemed deleted.
- 20.2 All dividends will be paid to the holders of ordinary shares in proportion to the number of ordinary shares held by them respectively, irrespective of the amount paid up or credited as paid up on them. Regulation 104 does not apply.

21. Notices

- 21.1 In regulation 111, the words "except that a notice calling a meeting of the directors need not be in writing" are deemed deleted.
- 21.2 In regulation 112, the words "but otherwise no such member will be entitled to receive any notice from the company" are deemed deleted.

22. Winding up

- 22.1 In regulation 117, the words "provided that if any such division is proposed to be made otherwise than in accordance with the existing rights of the members, every member will have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986" are deemed inserted at the end of the first sentence.

23. Indemnity

- 23.1 Subject to section 310 of the Act, every director or other officer or auditor of the company will be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in the execution of his duties or otherwise in relation to them, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under section 144 or 727 of the Act in which relief is granted to him by the court. No director or other officer will be liable for any loss or damage which may happen to or be incurred by the company in the execution of his duties or in relation to them.
- 23.2 The directors have the power to purchase and maintain for any director, officer or auditor of the company insurance against any liability in respect of his negligence, default, breach of duty or trust or any other liability in relation to the company.
- 23.3 Regulation 118 does not apply.

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