

01-04-96

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Adam & Company

PUBLIC LIMITED COMPANY

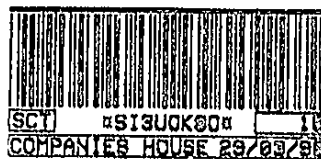
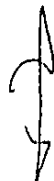
22 Charlotte Square Edinburgh EH2 1DF
Telephone 0131 225 8181 Telex 72162 Fax 0131 225 5136
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Certified a
true copy

W. J. Sam
SECRETARY

At an Extraordinary General Meeting of ADAM & COMPANY PLC held on
28 March 1996 the following resolutions were duly passed as
Special Resolutions:-

1. That the existing issued Perpetual Convertible Non-Cumulative Preferred Shares of 26p each in the capital of the Company ("Preferred Shares") be and are hereby converted into Ordinary Shares of £1 each ("Ordinary Shares") ranking *pari passu* in all respects with the existing Ordinary Shares of £1 each in the capital of the Company on the basis that every 50 Preferred Shares be and are hereby converted into 13 Ordinary Shares and that such resultant Ordinary Shares be allocated to the holders of the Preferred Shares *pro rata* to their holdings of Preferred Shares at the date of this resolution.
2. That the regulations contained in the document submitted to this Meeting and for the purposes of identification signed by the Chairman as relative to this Resolution be and are hereby approved and adopted as the new Articles of Association of the Company in substitution for and to exclusion of the existing Articles of Association of the Company.



W. J. Sam
.....
Director/Secretary

ALSO AT

W. J. Sam, 22 Charlotte Square, Edinburgh EH2 1DF, Scotland, Tel: 0131 225 8181, Fax: 0131 225 5136
1, Park Lane, London, W1K 1PF, England, Tel: 0131 225 8181, Fax: 0131 225 5136
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Regulated by FSA

Registered in Scotland No 2902, Registered Office 22 Charlotte Square, Edinburgh EH2 1DF

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Certified a true copy
W. J. Summ
SECRETARY

This is the document referred to in
Resolution 2 set out in the Notice
of Meeting dated 26 March 1996

R. Smith
Chairman.

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ADAM & COMPANY PLC

(as adopted by Special Resolution passed on 28th March 1996)

PRELIMINARY

- 1 (A) The Regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as that Schedule was in force on the date of adoption of these Articles (hereinafter called "Table A") shall apply to the Company save to the extent that they are excluded by or are inconsistent with any of these Articles.
- (B) Regulations, 5, 8, 24, 46, 54, 64, 73 to 80 inclusive, 81, 89, 94 to 98 inclusive; 117 and 118 of Table A shall not apply to the Company.

INTERPRETATION

2. Regulation 1 of Table A shall apply to these Articles as it applies to the Regulations in Table A



SHARE CAPITAL

3. For the period of five years from the date of adoption of these Articles, all shares at the date of adoption of these Articles created and unissued (of whatever class) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons (including any Director) on such terms and conditions and at such time or times as the Directors may think fit and the Directors may grant to any person or persons (including any Director) the right to subscribe for, or to convert any security into, shares in the Company either at par or at a premium, and for such time and for such consideration as the Directors may think fit.
4. The Company shall be entitled, but shall not be bound, to accept and, in case of acceptance, shall be entitled to record in such manner as it may think fit notices of any trusts in respect of any of the shares of the Company. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were absolute owners thereof. For the purpose of this Article "trust" includes any right in respect of any shares of the Company other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as are hereinafter mentioned.

LIEN

5. The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) payable at a fixed time or called in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of that share, whether by way of dividend or otherwise.

FORFEITURE OF SHARES

6. Regulation 18 of Table A is hereby modified by adding at the end of the first sentence thereof the following:-

"and all expenses that may have been incurred by the Company by reason of such non-payment."

TRANSFER OF SHARES

7. The Directors, may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS

8. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result, of the show of hands a poll is demanded. Subject to the provisions of the Act, a poll may be demanded by any member present in person or by proxy.

VOTES OF MEMBERS

9. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder.

NUMBER OF DIRECTORS

10. The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of such determination there shall be no maximum number of Directors and the minimum number of Directors shall be two.

APPOINTMENT OF DIRECTORS

11. The Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
12. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

13. The Office of a Director shall be vacated if:-
 - (A) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
 - (B) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (C) he is, or may be, suffering from a mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
 - (ii) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (D) he resigns his office by notice to the Company; or
 - (E) he is removed from office by notice in writing signed by all his co-Directors and served upon him; or
 - (F) \

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- (F) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

PROCEEDINGS OF DIRECTORS

14. The quorum for the transaction of the business of the Directors shall be two. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
15. A Director may vote in respect of any contract or arrangement notwithstanding that he may be interested therein and if he does so he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.
16. A resolution of which any Director has signified his approval by letter, cable, telex, telegram or facsimile message shall be as valid and effectual as a resolution in writing signed by that Director.
17. A meeting of the Directors or of a committee of the Directors may consist of a conference between Directors or members of the committee who are not all in one place but of whom each is able (directly or by telephonic, televisual or similar means of communication) to speak to each of the others and to be heard by each of the others simultaneously.

WINDING-UP

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

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INDEMNITY

19. Every Director or 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 or discharge 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 judgement is given in his favour or in which he is acquitted or in which the charge is found not proven or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution or discharge of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.