

**THE COMPANIES ACTS 1948 TO 1967 AND
THE COMPANIES ACTS 1985 AND 1989**

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

PANORAMA HOLIDAY GROUP LIMITED

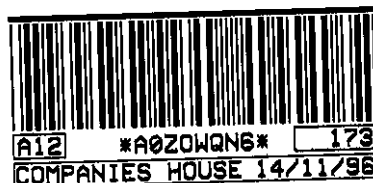
Passed 12 November 1996

At an extraordinary general meeting of the Company duly convened and held at 27 Chancery Lane London WC2A 1NF on 12 November 1996, the following resolution was duly passed as a special resolution:

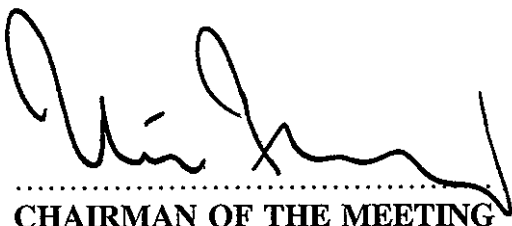
SPECIAL RESOLUTION

THAT:

- (1) subject to obtaining the written consent of each of John Lucraft and Justin Fleming to the conversion of their ordinary shareholdings as set out below:
 - (a) each of the 6,250 existing issued ordinary shares of £1 in the capital of the Company ("Ordinary Shares") currently registered in the name of John Lucraft be re-designated as a non-voting preference share of £1 ("Preference Share") having the rights and being subject to the restrictions set out in the new articles of association proposed to be adopted pursuant to paragraph 5 of this resolution; and



- (b) one half of the existing issued Ordinary Shares currently registered in the name of Justin Fleming (namely 7,025 Ordinary Shares) each be re-designated as a Preference Share having the rights and being subject to the restrictions set out in the new articles of association proposed to be adopted pursuant to paragraph 5 of this resolution;
- (2) the authorised share capital of the Company be increased to £1,162,000 divided into 100,000 Ordinary Shares and £1,062,000 Preference Shares by the creation of an additional 1,048,725 Preference Shares and an additional 88,275 Ordinary Shares, such shares having the rights and being subject to the restrictions set out in the new articles of association proposed to be adopted pursuant to paragraph 5 of this resolution;
- (3) the directors of the Company be and they are hereby:
- (a) authorised generally and unconditionally in accordance with section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot shares in the Company and to grant any right to subscribe for or to convert any security into shares of the Company up to a maximum nominal amount of £1,137,000 at any time or times within the period of 5 years from the date of the passing of this resolution; and
- (b) empowered to allot equity securities pursuant to the authority contained in this resolution as if the pre-emption rights contained in section 89(1) of the Act did not apply to any such allotment;
- (4) the draft new articles of association, in the form produced to the meeting and signed by the Chairman for the purpose of identification, be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association;
- (5) the sum of £1,048,725 (being part of the amount of the distributable reserves of the Company) be capitalised by paying up in full 1,048,725 unissued Preference Shares to be allotted, credited as fully paid, on the basis of 79 Preference Shares for every 1 Preference Share to which the holders of the Preference Shares are entitled immediately prior to such issue.



CHAIRMAN OF THE MEETING

Company Number: 1068464



THE COMPANIES ACTS 1948 TO 1967 and

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

PANORAMA HOLIDAY GROUP LIMITED

Incorporated 29 August 1972

Reprinted as amended 12 November 1996

RAKISONS

27 Chancery Lane

London WC2A 1NF

Tel: 0171 404 5212

Fax: 0171 831 1926

Ref: sprv\12017\Articles.new

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THE COMPANIES ACTS 1948 TO 1967 and

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

PANORAMA HOLIDAY GROUP LIMITED *

(as adopted by Special Resolution passed on 12 November 1996)

1 Preliminary

The regulations in Table A (as set out in the Schedule to the Companies (Tables A to F) Regulations 1985 SI 1985 No. 805 as amended) shall apply to the Company, save in so far as the Articles set out below disapply, modify or are inconsistent with them, to the exclusion of the Table A contained in any other enactment. References to Regulations are to Regulations in Table A.

2 Share capital

- 2.1 The authorised share capital of the Company at the date of adoption of these Articles as the articles of association of the Company is £1,162,000 divided into 100,000 ordinary shares of £1 each ("Ordinary Shares") and 1,062,000 preference shares of £1 each ("Preference Shares").
- 2.2 The special rights and restrictions attaching to and imposed on the Ordinary Shares and the Preference Shares respectively are as set out in this article.

* *The Company was incorporated on 29 August 1972 with the name "SUMMERGRANGE LIMITED". The name of the Company was changed to "YOUNG WORLD HOLIDAYS LIMITED" upon the issue of a certificate of incorporation on change of name on 11 August 1978 and was changed again to "PANORAMA HOLIDAY GROUP LIMITED" upon the issue of a certificate of incorporation on change of name on 16 November 1988.*

2.3 The Preference Shares shall entitled the holders thereof to the following rights:

(a) as regard dividend:

- (i) the Preference Shares shall confer upon the holders thereof as a class the right, in priority to any payment of dividend to the holders of any other shares in the capital of the Company, to receive out of the profits of the Company available for distribution by way of dividend a cumulative fixed rate preferential dividend ("the Preference Share Dividend") at the rate per annum of 6% (excluding the amount of any associated tax credit) on the amount paid up or credited as paid up thereon, such dividend to be distributed amongst the holders of the Preference Shares pro rata to the amounts paid up or credited as paid up thereon. The Preference Share Dividend will accrue on a daily basis and will be payable together with the associated tax credit at the rate from time to time prevailing half yearly in arrears on 31 March and 30 September in every year, the first such dividend to be payable on 31 March 1997 in respect of the period from 12 November 1996 to such date;
- (ii) if any Preference Share Dividend (including any amount payable pursuant to this sub paragraph) is for whatever reason not paid in full on the date when it is due for payment ("the Preference Share Default Date"), then the Company shall be liable to pay the holders of the Preference Shares (in proportion to the number of Preference Shares held by each of them) on the next date the Preference Share Dividend is due, in addition to the Preference Share Dividend then payable, an amount (including the amount of any associated tax credit) equal to the aggregate of the unpaid Preference Share Dividend on the Preference Share Default Date and interest thereon at a rate equal to 3% per annum above the base rate of Barclays Bank plc at that time such interest to be calculated daily from the Preference Share Default Date;

- (b) as regards capital: on a return of assets on a liquidation, reduction of capital or otherwise, the holders of the Preference Shares shall be entitled to be paid out of the surplus assets of the Company remaining after payment of its liabilities the capital paid up on the Preference Shares (including any premium) together with a sum equal to any arrears of the Preference Share Dividend calculated down to date of the return of capital but they shall not be entitled to any further participation in or share of such surplus assets;

- (c) as regards voting in general meetings: the holders of the Preference Shares shall be entitled to receive notice of any general meetings of the Company but shall not be entitled to attend any such general meetings or to vote upon any resolution to be proposed thereat.

2.4 The Ordinary Shares shall entitle the holders thereof to the following rights:

- (a) as regards dividend: after making all necessary provisions for payment in any financial year of the Preference Share Dividend (including all arrears of Preference Share Dividend in respect of any period), the holders of the Ordinary Shares shall be entitled to participate in the profits of the Company available for distribution by way of dividend in equal proportions, pro rata to the amount paid up on the relevant shares;
- (b) as regards capital: on a return of assets on a liquidation, reduction of capital or otherwise the holders of the Ordinary Shares shall, subject to the rights of holders of the Preference Shares, be entitled to share in the surplus assets of the Company remaining after payment of its liabilities in equal proportions, pro rata to the amount paid up on the relevant shares;
- (c) as regards voting in general meetings: the holders of the Ordinary Shares shall be entitled to receive notice of, to attend and to speak at general meetings of the Company; on a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote, and on a poll, every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for each Ordinary Share of which he is the holder.

2.5 Unless the Company is prohibited by law, the Preference Share Dividend shall, notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and, if not then paid, shall be a debt due by the Company and shall be payable in priority to any other dividend.

2.6 Except with such consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the special rights attached to such shares pursuant to section 125 of the Companies Act 1985:

- (a) the Company shall not modify or vary the rights attaching to the Preference Shares to the detriment of the holders of the Preference Shares as a class;
- (b) the Company shall not make any alteration to its memorandum or articles of association which would be detrimental to the rights attaching to the holders of the Preference Shares as a class;
- (c) the Company shall not create or issue any new class of shares which would rank for distribution purposes *pari passu* with or in priority to the Preference Shares as a class; and
- (d) no resolution for the winding up of the Company shall be passed.

2.7 Subject to these Articles and as provided in the Act the pre-emption provisions of sub-section (1) of section 89 and sub-sections (1) to (6) of section 90 of the Act shall

apply to any allotment of the Company's equity securities provided that:

- (a) the period specified in section 90(6) of the Act shall be 60 days; and
- (b) the holders of Ordinary Shares ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for.

- 2.8 Subject to the provisions of the Act and these Articles, the Company may purchase its own shares (including without limitation the Preference Shares and any redeemable shares) and make a payment in respect of the redemption or purchase of shares whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise.

3 Lien

The Company shall have a first and paramount lien on every share (whether or not fully paid) standing registered in the name of any person (whether solely or jointly with others) for all monies (whether or not presently payable) due by him or his estate, either alone or jointly with any other person, to the Company. Such lien shall be without prejudice to any rights given to or reserved by the Company on allotment or issue. The first sentence of Regulation 8 shall not apply.

4 Calls on shares and forfeiture

An amount payable in respect of a share on or prior to allotment or issue or at any fixed date shall be deemed to be a call due and payable on the stipulated date of payment and the person liable to pay such call shall be such person as may be specified in the terms of allotment or, if in the case of payment on a fixed date the terms of allotment do not specify who shall be liable, the number holding such share on such fixed date. Regulations 12, 13 and 16 shall be modified accordingly.

5 Transfer of Preference Shares and Ordinary Shares

- 5.1 The directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of a Preference Share to a person who is not a member of the Company at the date on which the transfer is lodged at the registered office of the Company.

- 5.2 Without prejudice thereto, a Preference Share may be transferred (and the directors will register such transfer) with the prior written consent of the holders of all of the Ordinary Shares, which consent may be granted unconditionally or subject to terms or conditions and in the latter case any Preference Share so transferred shall be held subject to any such terms and conditions notified in writing to the transferee prior to the registration of the transfer.

6 Transfer of Ordinary Shares

- 6.1 Subject to the provisions of Regulation 24 any Ordinary Share may at any time be transferred to any person with the prior consent in writing of all the holders of the Ordinary Shares, which consent may be granted unconditionally or subject to terms or conditions and in the latter case any Ordinary Share so transferred shall be held subject to any such terms and conditions notified in writing to the transferee prior to the registration of the transfer.
- 6.2 For the avoidance of doubt and without limitation, no Ordinary Share shall be held by any member as a bare nominee for and no interest in any Ordinary Share shall be sold to any person unless a transfer of such Ordinary Share to such person would rank as a Permitted Transfer (as hereinafter defined). If the foregoing provisions shall be infringed the holder of such Ordinary Share shall be bound to give a Transfer Notice (as hereinafter defined) in respect thereof.

7 Pre-emption on transfer of Ordinary Shares

- 7.1 Except in the case of a transfer of Ordinary Shares expressly authorised by Article 6 ("a Permitted Transfer"), the right to transfer Ordinary Shares or any interest in Ordinary Shares in the Company shall be subject to the following restrictions and provisions.
- 7.2 Any person ("the Proposing Transferor") proposing to transfer any Ordinary Shares in the capital of the Company or any interest therein ("the Sale Shares") shall be required before effecting, or purporting to effect, the transfer to give notice in writing to the Company ("a Transfer Notice") that he desires to transfer the Sale Shares. The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (as determined in accordance with Articles 7.3 and/or 7.4) during the Prescribed Period (as defined in Article 7.5) to any member or to any other person selected or approved by the directors on the basis set out in the following provisions of these Articles and shall not be revocable except with the written consent of the directors.
- 7.3 If, not more than one month before the date on which the Transfer Notice was given ("the Notice Date"), the Proposing Transferor and the directors shall have agreed a price per Sale Share as representing the fair value thereof or which is acceptable to the Proposing Transferor and not more than the fair value thereof or if the directors agree that a bona fide offer shall have been received from a third party which shall remain open for acceptance for the Sale Shares (but subject to the right of the directors to satisfy themselves that such offer is for a bona fide sale for the

consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser), then whichever such price shall be the higher shall be the Prescribed Price (subject to the deduction therefrom where the Prescribed Price has been agreed with the directors of any dividend or other distribution declared or made after such agreement and prior to the Notice Date).

- 7.4 If, prior to the giving of the Transfer Notice, the Prescribed Price shall not have been agreed in accordance with Article 7.3, upon the giving of the Transfer Notice the directors shall refer the matter to the auditors for the time being of the Company ("the Auditors") and the Auditors shall determine and certify the sum per Ordinary Share considered by them to be the fair value thereof as at the Notice Date and the sum per Ordinary Share so determined and certified shall be the Prescribed Price. The Auditors shall determine and certify the sum per Ordinary Share considered by them to be the fair value thereof on the basis of a sale as between a willing vendor and a willing purchaser of the whole of the issued share capital of the Company in the open market and disregarding the fact that the Sale Shares constitute a minority holding and the fact that the transfer of shares is restricted under these Articles. The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall be final and binding on all persons concerned (except in the case of manifest error) and, in the absence of fraud, the Auditors shall be under no liability to any such person by reason of their determination or certification or by anything done or omitted to be done by them for the purpose thereof or in connection therewith.
- 7.5 If the Prescribed Price was agreed as provided in Article 7.3, the Prescribed Period shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 7.4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Auditors shall have notified the directors of their determination of the Prescribed Price. Pending such determination the directors shall defer the making of the offer mentioned in Article 7.6.
- 7.6 All Sale Shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 7.5) of the relative Transfer Notice to all members (other than the holder of the Sale Shares) for purchase at the Prescribed Price on the terms that in the case of competition the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holding of Ordinary Shares. Such offer shall limit a time (not being less than 14 days nor exceeding 28 days) within which it must be accepted or in default will lapse. Any Sale Shares not accepted by any of the members pursuant to the foregoing provisions of this Article 7.6 may be offered by the directors to such persons as they may think fit (regardless of whether or not they are already members of the Company) for purchase at the Prescribed Price.
- 7.7 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called "a Purchaser") to purchase all but not some only of the Sale Shares and gives notice in writing thereof

to the Proposing Transferor, he shall be bound, upon payment to him of the Prescribed Price, to transfer all but not some only of such Ordinary Shares to the respective Purchaser(s). Every notice given by the Company under this Article 7.7 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the directors not being less than three days nor more than ten days after the date of the notice.

- 7.8 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser hereunder the directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Ordinary Shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) (or a suitable indemnity) and the necessary transfers to the Company.
- 7.9 If the Company shall not within the Prescribed Period find Purchaser(s) willing to purchase all of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchaser(s), the Proposing Transferor at any time during a period of 90 days after the end of the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24) to transfer all but not some only of the Sale Shares to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that the directors may require to be satisfied that:
- (a) the Sale Shares are being transferred under this Article 7.9, pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied may refuse to register the instrument of transfer; and
 - (b) in the case of any such transfer of Sale Shares which includes more than 50% in nominal amount of the issued share capital of the Company from time to time, the Proposing Transferor will not sell any Sale Shares under paragraph 7.9 of this Article unless the proposed purchaser of such Ordinary Shares:
 - (i) shall have offered to purchase from each other holder of Ordinary Shares in the Company at a price per Ordinary Share not less than the price paid or to be paid by the proposed purchaser for such Sale Shares such proportion of the Ordinary Shares held by such other holder as is equal to the proportion which the Sale Shares to be sold bears to the total holding of Ordinary Shares (including the Sale

Shares) held by the Proposing Transferor; and

- (ii) shall, in respect of any other holder of Ordinary Shares who wishes to take up such offer, acquire from such holder the Ordinary Shares in question at the relevant price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold.

8 Transmission of shares

A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall notify the Company of such entitlement within three months thereafter. The directors may serve notice on a person becoming so entitled (and whether or not he shall have notified the Company of his entitlement) requiring him to elect within three calendar months after the service of such notice either to become the holder or to have some person nominated by him registered as the transferee and if he does not so elect within such period the directors may thereafter retain any sums due from the Company on the share (whether in respect of capital or otherwise but not including any sum payable in a liquidation of the Company) until such election is made, whereupon the sums retained shall be paid to such person without interest or other compensation for late payment. Regulations 30 and 31 shall be modified accordingly.

9 Proceedings at general meetings

- 9.1 If a quorum is not present within half an hour from the time appointed for a meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week (or such other day whether or not in the next week as the directors may determine) at the same time and place (or such other time and place as the directors may determine); except that, if the meeting was called by or on the requisition of members, it shall not be so adjourned but shall be dissolved. If at such an adjourned meeting a quorum is not present within half an hour from the time appointed therefor, or if during the course of that adjourned meeting a quorum ceases to be present, the meeting shall be dissolved. Regulation 41 shall not apply.

- 9.2 A poll may be demanded at any meeting by the chairman or by a member having the right to vote at the meeting but not otherwise. Regulation 46 shall be modified accordingly.

- 9.3 A resolution in writing signed by or on behalf of:

- (a) in the case of a resolution intended to take effect as a special or extraordinary resolution, each member of the Company; and
- (b) in all other cases, each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present;

shall be as effectual as if it had been passed at a general meeting duly convened and

held and may consist of several instruments in the like form each so executed or containing such approval by or on behalf of one or more members. A resolution shall be deemed to be in writing and signed by or on behalf of a member for the purposes of this article 9.3 if it is a telefaxed copy of a resolution signed by or on his behalf or is contained in a telegram or telex sent by him or on his behalf. Regulation 53 shall not apply.

10 Number of directors

10.1 Unless otherwise determined by ordinary resolution the number of directors shall not be subject to any maximum but shall be not less than one. Regulation 64 shall not apply.

10.2 Whenever the minimum number of directors is one and there is only one director, such sole director may exercise all the powers and discretions expressly or impliedly vested in the directors generally.

11 Alternate directors

11.1 The same person may be appointed as the alternate director of more than one director.

11.2 Subject to the provisions of these Articles, an alternate director shall be entitled to attend and vote at all meetings of directors and of all meetings of committees of directors of which his appointor is a member at which his appointor is not personally present and generally at such meeting to perform all the functions of his appointor as a director. Regulation 66 shall be modified accordingly.

11.3 A person appointed as an alternate director who is not a director is not and shall not be deemed to be a director by reason of such appointment and except as provided in these Articles shall not have power to act as a director. An alternate director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a director. Subject as provided in Article 17.5, the provisions of these Articles relating to whether or not a director may vote or be counted in the quorum on resolutions concerning matters in which such director has an interest or duty and to the disclosure of any such interest or duty shall accordingly apply mutatis mutandis to every such alternate director. The provisions of Regulations 85 and 86 (as modified by these Articles) shall apply to alternate directors except that paragraph (b) of Regulation 85 shall extend to the Company in addition to the (b) of Regulation 85 shall extend to the Company in addition to the bodies corporate referred to in that paragraph. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor. Regulation 69 shall not apply.

12 Delegation of directors' powers

12.1 The directors may delegate any of their powers or discretions to any committee of

two or more persons, who may include persons who are not directors whether with or without voting rights or with qualified voting rights provided that:

- (a) more than half of the persons for the time being appointed as members of the committee shall be directors; and
- (b) no resolution of the committee shall be effective unless a majority of the members of the committee who are present at the meeting when the resolution is passed or (if such resolution is in writing) sign or approve such resolution are directors or their alternate directors acting as such.

The directors may from time to time impose regulations to govern the proceedings of any such committee. References in Table A or these Articles to committees of directors shall be construed as including references to any such committee whether or not consisting only of directors. Regulation 72 shall be modified accordingly.

12.2 Subject to any conditions imposed by the directors in relation to the delegation of powers or discretions to a committee of directors, the proceedings of a committee with two or more members shall be governed by any regulations imposed by the directors pursuant to Article 12.1 and, except where they conflict with such regulations, by the provisions of these Articles regulating the proceedings of directors (including without limitation Regulations 92 and 94 (as modified by these Articles)) so far as they are capable of applying but so that references in such provisions to directors shall be construed as references to any member of such committee (whether or not a director). The last sentence of Regulation 72 shall not apply.

12.3 Any member of a committee of directors who is not a director may be paid such remuneration or fees as the directors may determine and may be paid such travelling, hotel and other expenses (if any) properly incurred by him in connection with his attendance at meetings of the committee or otherwise in connection with the discharge of his duties as such member as the directors (or any director authorised in that behalf by the directors) may approve.

13 Appointment and retirement of directors

13.1 The directors shall not be subject to retirement by rotation. Regulations 73 to 75 shall not apply and references in any other regulation to directors retiring by rotation shall be disregarded.

13.2 If any resolution for the appointment or reappointment as director of any person is to be proposed at any general meeting, the notice calling such general meeting shall name such person but subject to that notice the last sentence of Regulation 77 shall not apply.

13.3 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, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these articles as the maximum number of directors. Regulation 79 shall not apply.

14 Disqualification and removal of directors

The office of a director shall be vacated in any of the events specified in Regulation 81. The office of a director shall also be vacated if he shall in writing offer to resign and the directors shall resolve to accept such offer, or if he shall have served upon him a notice in writing signed by all his co-directors (being at least two in number) removing him from office as director, but so that in the case of an executive director such removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

15 Remuneration of directors

The directors shall be entitled to such ordinary remuneration as the Company may by ordinary resolution determine. Unless the ordinary resolution provides otherwise, such ordinary remuneration shall be divisible among the directors as they may agree or, failing agreement, equally; however, where any ordinary remuneration is divisible equally, any director who holds office for part only of the period in respect of which such ordinary remuneration is payable shall be entitled to rank in such division only for a pro rata proportion of such ordinary remuneration. Any director who serves on any committee of directors or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director may be paid such extra remuneration by way of salary, commission or otherwise as the directors may determine. Regulation 82 shall not apply.

16 Directors' appointments and interests

16.1 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest, a director may notwithstanding his office hold and be remunerated in respect of any office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company and be remunerated therefor 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. Regulations 84 and 85 shall be modified accordingly.

16.2 For the purposes of Regulation 85 (as modified by these Articles) a director shall be deemed to be interested in any 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 before it is made or entered into, a general notice given by a director and which otherwise complies with paragraph (a) of Regulation 86 shall not be a disclosure as provided in that paragraph unless it relates to a specified company or firm of which he is a member or a specified person who is connected with the director within the meaning of Section 346 of the Act. Regulation 86 shall be modified accordingly.

16.3 References in this Article and in Regulations 85 and 86 (as modified by these

Articles) to transactions or arrangements shall include contracts, guarantees and indemnities (whether or not constituting a transaction or arrangement). Regulations 85 and 86 shall be modified accordingly.

17 Proceedings of directors

- 17.1 Unless all the directors agree to the contrary, all board meetings will be held in the United Kingdom. If a person is present at a meeting of directors as an alternate director (whether or not he is also a director) he shall, if his appointor or, if he is the alternate director for more than one director, any of his appointors is not personally present, be counted in the quorum separately in respect of such appointor or, as the case may be, each of such appointors on a cumulative basis in addition (if he is himself a director) to being counted in the quorum as such director.
- 17.2 The provisions of Regulation 92 shall apply to resolutions in writing of directors and shall extend to include alternate directors. Regulation 92 shall be modified accordingly.
- 17.3 A resolution in writing signed or approved by telemessage, telefax or telex by all the directors entitled to receive notice of a meeting of directors shall be as valid and effective as if it had been passed at a meeting of directors duly convened and held and may consist of several documents each so signed or containing such approval by one or more directors. If any director is for the time being unable to attend meetings of directors through ill-health or disability the signature or approval in the requisite manner by the alternate director (if any) appointed by him of a resolution in writing shall be as effective as the signature or approval of such director. Regulation 93 shall not apply.
- 17.4 Any director or alternate director may attend a meeting of directors by telephone or other conference facility whereby all persons participating in the meeting can hear each other and participation in this manner shall be deemed to constitute presence in person at such meeting for all purposes of these Articles and such a director shall be counted in the quorum accordingly. Board meetings at which a director or alternate director attends by telephone or other conference facility shall be deemed to be held in the United Kingdom provided that at least one director or alternate director is physically present in the United Kingdom.
- 17.5 Subject to the provisions of the Act, a director may vote at a meeting of directors on any resolution on which he would otherwise be prohibited from voting by Regulation 94 (including a resolution for the approval of an alternate director appointed by him) provided that before such resolution is moved he discloses to the meeting or is deemed pursuant to Regulation 86 (as modified by these Articles) to have disclosed the nature and extent of his interest. Regulation 94 shall be modified accordingly.
- 17.6 If an alternate director has an interest in a matter for the purposes of Regulation 94 only because he is treated as having an interest of his appointor or one of his appointors and such alternate director is himself a director and/or is also an alternate director for any other meeting, Regulation 94 (modified by Article 9.4) shall apply

separately to each of the votes to which he is entitled on a cumulative basis and (notwithstanding that he is so treated as having an interest and provided he is not otherwise precluded from voting) he may vote and shall be counted in the quorum in respect of his office as director and as alternate director for such other director or directors. Regulations 94 (as modified as aforesaid) and 95 shall be modified accordingly.

18 Accounts

A member, subject to such conditions and regulations as the directors may determine having regard to any obligation binding upon the Company to keep confidential information supplied to it by other persons, may inspect personally or by his agent at any time and from time to time any accounts or book or document of the Company (and take and retain copies thereof). Regulation 109 shall not apply.

19 Indemnity

- 19.1 Without prejudice to any indemnity to which such officer may otherwise be entitled, every director, auditor, secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.
- 19.2 The Company may purchase and maintain for any director, secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.