

THE COMPANIES ACTS
A COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION*

- of -

BACS LIMITED
Company Number 1023742



1. The name of the Company is **BACS LIMITED**.
2. The registered office of the Company will be situate in England and Wales.
3. The objects for which the Company is established are:-
 - (A) to carry on all or any of the following businesses namely:-
 - (i) to acquire and take over as a going concern that part of the business of The Bankers' Clearing House Limited which trades under the name of the Inter-Bank Computer Bureau (hereinafter called "the said Business") together with all or any of the property and assets of the said Business used in connection therewith and to carry on the said Business.
 - (ii) to participate and assist in, undertake, perform, organise, arrange and carry on whether for profit or otherwise and whether as principal or as agent the business of, or any business involving or connected with, banking of all kinds and the provision of advisory, practical, statistical and financial services of all kinds, any business or activity in any way connected with, incidental, ancillary or in any way relating to or capable of use in the business of banking or of the provision of any such services or any business or activity carried on or capable of being carried on by any person who either carries on the business of banking or of the provision of any such services or is a person in which any other person carrying on any such business is interested, whether as member, partner, investor, lender or otherwise howsoever (any such person being hereinafter referred to as a "financial organisation")

* Adopted by a Special Resolution dated 23rd April 1987

* Name changed from Bankers' Automated Clearing Services Limited to BACS Limited pursuant to a Special Resolution dated 18th March 1986

including, without limitation, the business of, or any business involving or connected with the clearing, collection, payment, transfer, transmission, distribution or exchange of monies, funds, payments, securities, information or other items between any two or more persons or of use in effecting or performing all or any part of a transaction between any two or more persons, in particular, but without prejudice to the generality of the foregoing, the clearing, presentation, collection, amalgamation, sorting, processing, transfer, transmission, distribution and exchange of monies, funds, cheques, credit vouchers, debit vouchers, cash and any other form of or means of payment or transfer and any information contained on or relating to such monies, funds, cheques, credit vouchers, debit vouchers, cash or other form of payment or transfer by whatever means and any business or activity in any way connected with, incidental, ancillary or in any way relating to or capable of use in the establishment, development, expansion, operation, maintenance, control, financing, administration, advertising or marketing of systems, devices or services for use whether directly or indirectly by any financial organisation or by any person having any dealings with any financial organisation including, without limitation, any system

- (a) for communication between any two or more persons; or
- (b) for the clearing, collection, payment, transfer, transmission, distribution or exchange of monies, funds, payments, securities, information, or other items between any two or more persons; or
- (c) for use in effecting or in connection with the effecting of any transaction between any two or more persons;

and in particular, without limitation, to manufacture, licence, sell, supply, provide, lease out, hire out, render or otherwise make available to any person whether for valuable consideration or not and to acquire, purchase, take on, lease or hire, exchange or otherwise obtain and to hold and make use of business systems, including but without limitation calculating, accounting or mathematical apparatus, computers, computer terminals and associated plant, equipment and software of all kinds (in particular without limitation for use in electronically, mechanically or otherwise transferring, recording, processing, programming, retrieving or storing funds, accounts data or other information or records) and any intellectual or other rights thereto and to transact and do all matters and things incidental or conducive thereto and in particular, without limitation, to do all or any of the following:-

- (1) To carry on business as a representative, nominee, custodian, executor, administrator, receiver, arbitrator, registrar or secretary to or for any person and to carry on the business of brokers, consultants, advisors, managers, administrators or agents to or for any person (in particular, without limitation, any business involving the provision of financial,

technical, cultural, artistic, educational, entertainment or business materials, facilities, services or information to any person) and to carry on all or any of the businesses of insurers, promoters, retailers, wholesalers, buyers, sellers, contractors, distributors, merchants, traders, shippers and dealers in or providers of any goods or services;

(2) To participate and assist in, undertake, perform, organise, arrange and carry on commercial, mercantile, industrial, trading and financial business operations transactions and enterprises of every description;

(3) To participate and assist in, undertake, perform, organise, arrange and carry on research, investigation, analysis and development in connection with any business or activity whatsoever (in particular, without limitation, to supply, provide, render or otherwise make available management information including, without limitation, statistical analysis of and in connection with retail transactions and any other transactions involving the transfer, transmission or exchange of monies, payments, funds, securities, information or other items between any two or more persons); and

(4) To apply for, purchase, take on lease or hire or otherwise acquire or obtain any names, designs, trade marks, service marks, patents, patent rights, licences, concessions and the like of any kind whatsoever, conferring an exclusive or non-exclusive or limited right of user, or any secret or other information as to any process or invention of any kind whatsoever which in the opinion of the Directors is capable of being used for any of the purposes of the Company or the acquisition of which is in the opinion of the Directors calculated directly or indirectly to benefit the Company, and to use, exercise, develop, grant licences in respect of, sell or otherwise dispose of, supply, lease or hire out or otherwise make available or turn to account any rights and information so acquired and to carry on the business of an inventor, designer or research organisation.

(iii) to undertake responsibility for the operation, development and financing of, and for liaising with all interested parties on matters in any way concerned with, any business carried on by the Company, including, without limitation, the formulation and enforcement of rules and technical standards for use in any such business.

(B) To carry on any other business which in the opinion of the Directors is capable of being conveniently carried on in connection with, incidental, ancillary or in any way relating to or capable of use in any of the businesses of the Company or is calculated directly or indirectly to enhance the value of or render profitable any property or rights of the Company or to further any of its objects.

(C) To purchase, take on lease, exchange, hire or otherwise acquire, take options over, construct, develop and hold for any estate or interest any real or personal property and any rights or privileges which are in the opinion of the Directors necessary or convenient for the purposes of any business carried on by the Company.

(D) To manufacture, process, buy, sell, import, export and generally deal in and store any plant, machinery, tools, goods or things of any description, which in the opinion of the Directors are capable of being conveniently used or dealt with by the Company in connection with, incidental, ancillary or in any way conducive to the attainment of any of its objects.

(E) To acquire and deal with lands, mines and mineral rights and to acquire, explore for and deal with any natural resources and to carry on any business involving the ownership or possession of land or other immovable property or buildings or structures thereon and to build, construct, erect, install, maintain, alter, enlarge, pull down, remove or replace any buildings, works, plant and machinery which in the opinion of the Directors are necessary or convenient for the business of the Company and to carry on business as builders, contractors and engineers.

(F) To purchase or otherwise acquire, undertake or take over the whole or any part of the business, goodwill and assets of any person carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on, including, without limitation, any business carried on by a subsidiary or holding company (as defined by Section 736 of the Companies Act 1985) or another subsidiary of a holding company (as so defined) of the Company and in connection with any such acquisition to undertake or assume all or any of the liabilities of such person and to conduct or carry on any such business in any way, including, but without limitation, as a holding company (as defined by the said section).

(G) To acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation or for mutual assistance, or to co-operate or participate in any way with any person carrying on or proposing to carry on any business which the Company is authorised to carry on, or for subsidising or otherwise assisting any such person.

(H) To promote, finance or assist any other person for the purpose of acquiring all or any part of the property rights or undertaking or assuming the liabilities of the Company or

for any other purpose which in the opinion of the Directors is directly or indirectly calculated to benefit the Company.

(I) To sell, exchange, lease, let out on rent, share or profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over and in any other manner dispose of, turn to account or otherwise deal with the whole or any part of the property rights or undertaking of the Company for such consideration as the Directors may think fit.

(J) To cease carrying on, sell, liquidate, wind-up or otherwise deal with the whole or any part of the business or property of the Company and to cancel any registration of or procure the dissolution of the Company in any state or territory.

(K) To pay for any property or rights acquired by the Company, either in cash or shares, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue or partly in one mode and partly in another, and generally on such terms as the Directors may think fit.

(L) To accept payment for any property or rights sold or otherwise disposed of or dealt with or for any obligations undertaken by the Company, either in cash, by instalments or otherwise, or in shares of any company with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or by means of a mortgage or by debentures, debenture stock or certificates of deposit of any company or partly in one mode and partly in another, and generally on such terms as the Directors may think fit and to hold, deal with or dispose of any consideration so received.

(M) To issue, allot, deal in, purchase, subscribe, place, underwrite, or guarantee the subscription of, or concur or assist in the issuing, allotment, dealing in, purchasing, subscription, placing, underwriting, or guaranteeing the subscription of shares, notes, certificates of deposit, debentures, debenture stock, bonds, stocks and securities of any company fund or trust in whatsoever currency at such times and upon such terms and conditions as to remuneration and otherwise as the Directors may think fit.

(N) To borrow or raise money in such currency upon such terms and on such security as the Directors may think fit and in particular (without prejudice to the generality of the foregoing) by the issue, creation or deposit of notes, bonds, certificates of deposit, debentures or debenture stock (whether perpetual or not) and to secure the repayment of any money borrowed, raised or owing and any obligation of the Company by mortgage, charge,

pledge, lien or other security upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital.

(O) To stand surety for or to guarantee, support, secure or give an indemnity in respect of the performance of all or any of the obligations of any person, whether by personal covenant or by mortgage, charge, pledge, lien or other security upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by both such methods; and, in particular, but without limiting the generality of the foregoing, to guarantee, support, secure or give an indemnity in respect of, whether by personal covenant or by any such mortgage, charge, pledge, lien or other security or by both such methods, the performance of all or any of the obligations (including the repayment or payment of the principal and premium of and interest coupons and dividends on any securities) of any company which is for the time being the Company's holding company (as defined by Section 736 of the Companies Act 1985) or another subsidiary (as defined in the said Section) of any such holding company or otherwise associated with the Company.

(P) To lend money or give credit to and to receive money on deposit or loan from such persons in such currency and on such terms as are in the opinion of the Directors expedient.

(Q) To invest, deal with (whether for investment purposes or otherwise) the moneys of the Company in or upon and to deal in such investments and securities (including land of any tenure in any part of the world, foreign currencies, shares, notes, bonds, debentures, debenture stock, certificates of deposit, stocks or securities of any other person and any options or rights in respect thereof) upon such terms and in such manner as the Directors may think fit, to dispose of or vary any such investments, dealings or securities and to carry on the business of a property or investment company.

(R) To enter into any arrangement with any government or other authority, international, supreme, municipal, local or otherwise, and to obtain from any such government or authority any legislation, orders, rights, privileges, concessions and franchises which in the opinion of the Directors are conducive to the Company's objects or any of them and to carry out, exercise and comply with the same.

(S) To take all necessary and proper steps in Parliament or with any government or authority, international, supreme, municipal, local or otherwise for the purpose of promoting and obtaining any Act of Parliament or other legislation for carrying out, extending or varying the objects and powers of the Company, or altering its constitution, and to oppose any

proceedings or applications which are in the opinion of the Directors calculated directly or indirectly to prejudice the Company's interests.

(T) To grant pensions, annuities, allowances (including allowances on death), gratuities and bonuses to any directors, officers or employees or former directors, officers or employees, of the Company or any company which at any time is or was a subsidiary, allied or associated company or of the predecessors in business of all or any of them and to the families, dependants or connections of any such persons, and to any other persons whose service or services have directly or indirectly been of benefit to the Company, or to their relations, connections, dependants, and to make payments towards insurance and to establish or support or aid in the establishment and support of any associations, institutions, clubs, funds, trusts and schemes which are in the opinion of the Directors calculated to benefit such persons or otherwise advance the interests of the Company or of its Members.

(U) To undertake and execute any trusts the undertaking whereof is desirable in the opinion of the Directors, and either gratuitously or otherwise.

(V) To subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any charitable, benevolent, educational, social or political objects or for any exhibition or for any useful object of a public or general nature.

(W) To remunerate in such manner as the Directors may think fit any person rendering services to the Company in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company or in or about its formation or promotion or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to carry on the business of company, fund or trust promoters or managers and of underwriters or dealers in securities, and to act as directors of and as secretary, manager, registrar or transfer agent for any other company and to act as trustees of any kind.

(X) To draw, make, accept, endorse, discount, negotiate, execute and issue or to concur or assist in the drawing, making, accepting, endorsing, discounting, negotiating, execution and issuing of promissory notes, bills of exchange, bills of lading, scrip warrants and other instruments and securities, whether transferable, negotiable or otherwise.

(Y) To advertise, market and sell the products or services of the Company and of any other person and to carry on the business of advertisers or advertising agents or of a marketing and selling organisation of any kind.

(Z) To procure the Company to be registered in any country or place whether within England and Wales or in any other part of the world.

(AA) To distribute among the Members and creditors in specie or in kind any property of the Company, or any proceeds of sale or disposition of any property of the Company, and for such purpose to distinguish and separate capital from profits, but so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for the time being required by law.

(BB) To do all or any of the things authorised by this Clause in any part of the world either alone or in conjunction with others and either as principals, agents, contractors, trustees, or otherwise and either by or through agents, sub-contractors, trustees or otherwise.

(CC) To do all such other things as in the opinion of the Directors are, or may be, incidental, ancillary or in any way conducive to the attainment of the above objects or any of them.

(DD) To pay all costs, charges and expenses incurred or sustained in or about the promotion, establishment and incorporation of the Company, or which shall in the opinion of the Directors be in the nature of preliminary expenses including therein the cost of advertising, commissions for underwriting, brokerage, printing and stationery, and the legal and other expenses of the promoters.

It is hereby declared that where the context so admits the word "person" in this Clause shall be deemed to include any person, firm or company and the words "firm or company" in this Clause shall be deemed to include any partnership, association or other body of persons whether or not incorporated and, if incorporated, whether or not a company within the meaning of the Companies Act 1985, that the objects specified in each of the sub-clauses of this Clause shall be regarded as independent objects and accordingly shall not in any way be limited or restricted (except where otherwise expressed therein) by reference to or inference from the terms of any other sub-clause or the name of the Company but may be carried out in as full and ample a manner and construed in as wide sense as if each defined the objects of a separate and distinct company, and that where there are references in this Clause to matters of opinion, or to matters to be determined as the Directors may think fit, such matters are to

be determined by the sole Director or by the Directors or by any person to whom any such power of decision has been delegated by the sole Director or the Directors in accordance with the Articles of Association of the Company.

4. The liability of the Members is limited.

5. The share capital of the Company is £10,000,000 divided into 10,000,000 shares of £1 each*.

6. The shares in the original or any increased capital of the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time determine. Subject to the provisions of Section 127 of the Companies Act 1985, the rights and privileges attached to any of the shares of the Company may be modified, varied, abrogated or dealt with in accordance with the provisions for the time being of the Articles of Association of the Company.

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

* By Ordinary Resolution passed 15th February 1977 the share capital of the Company is increased to £500,000, divided into 500,000 shares of £1 each.

By Ordinary Resolution passed 19th February 1980 the share capital of the Company is increased to £1,000,000 divided into 1,000,000 shares of £1 each.

By Ordinary Resolution passed 16th November 1982 the share capital of the Company is increased to £3,000,000 divided into 3,000,000 shares of £1 each.

By Ordinary Resolution passed 23rd April 1987 the share capital of the Company is increased to £10,000,000 divided into 10,000,000 shares of £1 each.

NAMES, ADDRESSES AND DESCRIPTIONS
OF SUBSCRIBERS

Number of Shares taken
by each Subscriber
(in words)

Mr B Wood
35 Basinghall Street
London EC2V 5DB

One

Solicitor

Martin I D Roberts
35 Basinghall Street
London EC2V 5DB

One

Solicitor

DATED the 2nd day of September, 1971

Witness to the above Signatures:-

P A J Woods
35 Basinghall Street
London EC2V 5DB

Solicitor

THE COMPANIES ACTS
A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION*

- of -

BACS LIMITED
Company Number 1023742

John Walker
Chairman

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* Adopted by a Special Resolution dated 23rd April 1987 and incorporating amendments made by Written Resolution on 23rd November 1992 and by Special Resolution on 26th April 2002.

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THE COMPANIES ACTS
A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION*

- of -

BACS LIMITED

Company Number 1023742

PART 1 : GENERAL

1. THE COMPANY

The Company is a private company limited by shares.

2. THESE ARTICLES

The provisions of these Articles constitute the regulations of the Company to the exclusion of all other regulations prescribed under any statute concerning companies which might otherwise apply to the Company.

3. INTERPRETATION

3.1 In these Articles unless the context otherwise requires:

(a) the "1985 Act" means the Companies Act 1985;

(b) "the Association" means the body known on 1st January 1987 as the Association for Payment Clearing Services and includes reference to any successor to such body;

* Adopted by a Special Resolution dated 23rd April 1987 and incorporating amendments made by Written Resolution on 23rd November 1992 and by Special Resolution on 26th April 2002.

(c) "these Articles" means these Articles of Association in their present form or as from time to time altered;

(d) the "Board" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;

(e) "clearing" means any system, device or service operated by the Company for the clearing, collection, payment, transfer, transmission, distribution or exchange of moneys, funds, payments, securities, information or other items between any two or more persons;

(f) "clearing transaction" means a clearing, collection, payment, transfer, transmission, distribution or exchange transaction effected through a clearing;

(g) "clearing volume" means the number of clearing transactions effected through the clearings operated by the Company and any Member's clearing volume at any time shall be determined by reference to the then most recent quarterly (or other) records maintained pursuant to Article 17.5 (taking into account clearing transactions in, to and out of the Channel Islands and the Isle of Man); for this purpose a person shall be taken to have effected a clearing transaction through a clearing whether such person introduced such transaction into the clearing or was a recipient out of the clearing;

(h) the "Companies Acts" means every statute from time to time in force concerning companies insofar as the same applies to the Company;

(i) "debenture" and "debenture holder" shall include debenture stock and debenture stockholder respectively;

(j) "dividend" includes bonus;

(k) "Member" means, subject to the provisions of these Articles regarding termination of Membership, any person registered in the Register as the holder of shares in the Company and "Membership" shall be construed accordingly;

(l) "member of the Association" means any person who is for the time being a member of the Association and who has been designated by the Association, by notice in writing to the Company, as being a member of the Association in relation to the clearings of the Company, such designation not having been withdrawn by any further such notice in writing, and "membership of the Association" shall be construed accordingly;

- (m) "paid up" means paid up or credited as paid up;
- (n) "person" includes any person, firm, company, corporation, unincorporated association or other association of persons or any two or more of the foregoing;
- (o) the "Register" means the register of members of the Company;
- (p) the "Seal" means the common seal of the Company;
- (q) the "Secretary" includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;
- (r) the "United Kingdom" means Great Britain and Northern Ireland;
- (s) for the purposes of these Articles, Members are members of the same "corporate group" where one is the holding company of the other or where each of them has the same holding company;
- (t) references to writing shall be deemed to include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible form;
- (u) any words or expressions defined in the Companies Acts in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be); and
- (v) where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective.

3.2 These Articles are divided into paragraphs numbered consecutively and such paragraphs are, where appropriate, divided into sub-paragraphs numbered consecutively. A reference to a numbered Article is a reference to the relevant paragraph of these Articles and a reference to a numbered sub-paragraph of the Article is a reference to the relevant sub-paragraph of the relevant Article.

3.3 The headings to Articles, the division of these Articles into Parts and the headings to Parts in these Articles are for ease of reference only and shall not affect the construction of these Articles.

4. SHARE CAPITAL

The authorised share capital of the Company is £10,000,000 divided into 10,000,000 shares of £1 each.

5. REGISTERED OFFICE

The Registered Office shall be at such place in England or Wales as the Board shall from time to time appoint.

PART 2 : MEMBERSHIP

6. MEMBERS

6.1 The Board shall be entitled to determine the terms on which the Company admits persons to Membership and allows persons to remain Members. Further, the Board shall be entitled to determine the terms on which the Company allows persons other than Members to participate in any aspect of the Company's activities, including, by way of example, through having access to arrangements relating to the clearings of the Company.

6.2 Notwithstanding Article 6.1, the Governor and Company of the Bank of England shall be entitled to Membership as of right.

6.3 Articles 6.1 and 6.2 shall take effect on 5 May 2002 or such other date as the Board may determine. Those persons who are Members on such day may thereafter remain Members, subject to the provisions of these Articles and the terms on which the Board has determined that the Company shall allow such persons to remain Members. Further, until such date, the Board shall be entitled to make provision for the transition to the Membership arrangements governed by this Article 6.

7. MEMBERS' CLEARING TRANSACTIONS

7.1 Every Member shall at all times maintain facilities enabling every other Member to effect clearing transactions with such (first) Member in each clearing for the time being operated by the Company save that the Board may, with a view to facilitating the entry into

Membership of a new Member and pending the establishment by the new Member of such facility, agree to arrangements with such new Member whereby for a specified period such new Member shall not, to the extent agreed by the Board, be required to comply with this Article 7.1.

7.2 The Company shall ensure that at no time does any person who is not a Member effect a clearing transaction in any clearing for the time being operated by the Company other than through a Member under agency or other arrangements with such Member whereby the Member agrees to effect clearing transactions for such person in such clearing.

7.3 The Board may from time to time establish regulations for the conduct of clearing transactions in any clearing for the time being operated by the Company and each Member shall ensure that clearing transactions effected by it in such clearing are effected in accordance with such regulations.

8. CHARGES

The Board may from time to time require the Members to contribute, in the amounts and in the manner determined by the Board to be equitable between the Members, towards the payment and discharge of the costs incurred by the Company.

PART 3 : SHARES AND SHARE RIGHTS

9. SHARE RIGHTS

9.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares in the Company, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by special resolution determine.

9.2 Subject to the Companies Acts, any shares may, with the sanction of a special resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company may by such or any other special resolution determine.

9.3 The Company shall comply with Section 128 of the 1985 Act (Registration of particulars of special rights) whenever required to do so under that Section following an allotment of shares with unpublished rights.

10. MODIFICATION OF RIGHTS

10.1 Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To any such separate general meeting, all the provisions of these Articles as to general meetings of the Company shall apply, but so that

(a) the necessary quorum shall be two or more persons present in person or by proxy holding not less than three-quarters in nominal value of the issued shares of the class,

(b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and

(c) any holder of shares of the class present in person or by proxy may demand a poll.

10.2 The special rights conferred upon the holders of any shares or class of shares in the Company shall be deemed, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, not to be altered by the creation or issue of further shares ranking *pari passu* therewith.

11. SHARES

11.1 No person shall be entitled to hold any shares in the Company except for persons entitled to hold Membership as provided by Article 6.

11.2 Unless the Company directs otherwise by ordinary resolution, the unissued shares of the Company shall be at the disposal of the Board, and, subject to the provisions of the Companies Acts and these Articles, the Board may offer, allot, grant options over or otherwise dispose of them to such persons (subject to Article 11.1) at such time and on such terms as the Board thinks proper but so that no shares shall be issued at a discount. In particular the

Board is, subject to Article 11.4, generally and unconditionally authorised to exercise all or any of the powers of the Company to allot relevant securities within the meaning of section 80 of the 1985 Act up to a maximum amount (measured by reference to the nominal amount of the shares concerned) of £7,000,000 and such authority (unless previously revoked or renewed) shall expire on the date which is five years after 23rd April 1987* but shall allow the Board so to allot relevant securities after the expiry of such authority pursuant to an offer or agreement made by the Company before such expiry.

11.3 Subject as provided by Section 162 of the 1985 Act, the Company may purchase any of its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

11.4 The Directors shall not allot any shares in the Company or grant any right to subscribe for or to convert any security into shares in the Company in contravention of Section 80 of the 1985 Act.

11.5 The provisions of Section 89(1) and sub-sections (1) to (5) of Section 90 of the 1985 Act are hereby excluded pursuant to Section 91 of the 1985 Act and accordingly so long as the Company remains a private company the pre-emption rights otherwise conferred by the said Section 89(1) upon existing shareholders in relation to the allotment of equity securities for cash do not apply.

11.6 The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.

11.7 Except as ordered by a Court of competent jurisdiction or as required by law or as expressly permitted by these Articles, no Member shall sell, transfer, assign or otherwise part with any interest (whether legal or equitable) in all or any shares in the Company held by such Member and no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest, in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

* By ordinary resolutions passed 8th April 1992, 25th April 1997, and 26th April 2002 the authority of the Board to allot relevant securities was renewed on each occasion for a further period of five years.

11.8 Without prejudice to the provisions of Article 11.7, where the Board shall have notified the Members of an adjustment of shareholdings pursuant to Article 17.3 (any such notified adjustment referred to in this Article as 'the Adjustment'), any Member may transfer the beneficial interest (but not any legal interest) in all or any of the shares in the Company held by such Member which are to be transferred by it pursuant to the Adjustment to any company which is at the date of such transfer a wholly-owned subsidiary (as defined by Section 736 of the 1985 Act) of such Member, PROVIDED THAT:

(a) the Member shall have first provided the Board in writing with full details of the proposed transfer (with a copy to the Association) and the Board shall have indicated its consent in writing to such transfer, and such consent shall be on such conditions as the Board may think fit;

(b) the transfer shall take place no earlier than seven working days prior to the date on which the Adjustment is to be made;

(c) the Member in question shall procure first that its subsidiary does not in any way contravene the provisions of Article 11.7, and secondly that its subsidiary transfers the beneficial interest in the shares held by it in accordance with and pursuant to the terms of the Adjustment;

(d) the provisions of this Article 11.8 shall not affect the obligations of the Member in question under these Articles, including (without prejudice to the generality of the foregoing) the Member's obligations to transfer shares pursuant to Article 17; and

(e) without prejudice to Article 11.8(c) above, before the subsidiary in question shall cease to be a subsidiary of the Member, the Member shall procure that such subsidiary shall re-transfer to the Member all and any interest which it may have in any shares transferred to it pursuant to this Article 11.8.

12. CERTIFICATES

12.1 Every person whose name is entered as a holder of any share in the Register shall be entitled, without charge to receive within two months after allotment or lodgement of the transfer to him of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide) one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class: Provided always that the Company shall not be bound to issue more than one certificate in respect of a share

held jointly by several persons and delivery thereof to one of several joint holders shall be sufficient delivery to all. A Member who has sold or transferred part of the shares comprised in his holding shall be entitled to a certificate for the balance without charge. Delivery of a certificate to the agent acting in regard to the purchase, sale or transfer of shares to whom it relates shall be sufficient delivery to the purchaser, transferee, or, as the case may be, the Member.

12.2 If a share certificate is defaced, worn out, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out-of-pocket expenses of the Company of investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

12.3 Every certificate for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal of the Company.

13. LIEN

13.1 The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a date fixed by or in accordance with the terms of issue of such share in respect of such share; and the Company shall also have a first and paramount lien and charge on every share (other than a fully paid share) standing registered in the name of a Member (whether singly or jointly with any other person or persons) for all the debts and liabilities of such Member of his estate owing to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Member, and whether such debt is presently payable or such liability has actually arisen or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien and charge, if any, on a share shall extend to all dividends payable thereon. The Board may at any time either generally or in any particular case waive any lien or charge that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article.

13.2 Subject to Article 11.1, the Company may sell in such manner as the Board determines any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been

given to the holder of the share or to the person entitled to it in consequence of the death, bankruptcy, winding up or insolvency of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

13.3 To give effect to a sale the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in, or invalidity of the proceedings in reference to, the sale.

13.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

14. CALLS ON SHARES

14.1 The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the terms of issue thereof made payable at the date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

14.2 A call may be required to be paid by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

14.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14.4 If a sum called in respect of a share or an instalment thereof shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the date of actual payment at such rate, not exceeding 15% per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

14.5 Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum has become payable by virtue of a call duly made and notified.

14.6 The Board may, on the issue of shares, differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

15. FORFEITURE

15.1 If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

15.2 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

15.3 Subject to the provisions of the Companies Acts and these Articles (in particular, without limitation, Article 11.1), a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board may determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the share to that person.

15.4 A person any of whose shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if

no interest was so payable, at the appropriate rate (as defined in the Companies Acts) from the date of forfeiture until payment but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

15.5 A statutory declaration by a director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

PART 4 : TRANSFER OF SHARES

16. MODE OF TRANSFER OF SHARES

16.1 The instrument of transfer of a share may be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

16.2 Subject to Article 16.3 the Board shall refuse to register the transfer of a share which is not transferred in accordance with Article 17 and may refuse to register the transfer of a share on which the Company has a lien and may also refuse to register a transfer unless:-

(a) it is lodged at the Registered Office or at such other place as the Board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of shares; and

(c) it is in favour of not more than four transferees.

16.3 The Board shall not refuse to register any transfer of shares made pursuant to Article 17 provided that the provisions of paragraphs (a) to (c) of Article 16.2 are satisfied in relation to such transfer. The Board shall refuse to register a transfer where the transferee is not, or is

not entitled to be, a Member, unless the transferee is a nominee to which a transfer is made pursuant to Article 19.1.

16.4 If the Board refuses to register a transfer of a share, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

16.5 The registration of transfer of shares or of transfer of any class of shares may be suspended at such time and for such periods (not exceeding thirty days in any year) as the Board may determine.

16.6 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

16.7 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

17. TRANSFERS OF SHARES

17.1 Transfers of shares in the Company shall take place only in the following circumstances:

- (1) where any person not already a Member seeks and becomes entitled to Membership;
- (2) in order to give effect to an adjustment provided for by Article 17.4;
- (3) upon any Member ceasing to be or to be entitled to be a Member, including as a result of its retiring from Membership;
- (4) where the transfer previously has been approved by the Board; or
- (5) pursuant to Article 11.8 where the transfer is of a beneficial interest.

17.2 The proportions in which the shares are held amongst the Members shall be determined by reference to the proportions of the clearing volumes (determined as provided in Article 17.5) of the Members.

17.3 (1) If by the date which is six months prior to the end of any financial year of the Company there has been no adjustment made within that financial year to the shareholdings of the Members and no such adjustment was made in the preceding financial year, then the Board may, if it thinks appropriate, notify the Members that an adjustment of their shareholdings shall be made on the first day of the next financial year of the Company unless an adjustment is made during the remainder of such current financial year; in determining whether an adjustment to shareholdings has been made the Board shall disregard any adjustment which is the allotment or transfer of a single share pursuant to Article 17.7.

(2) In addition, the Board may at any other time, if it thinks appropriate, notify the Members that an adjustment of their shareholdings shall be made on such date as the Board shall appoint for such purpose.

17.4 (1) On the first day of the financial year following that in which a notice is issued by the Board pursuant to Article 17.3(1), the Members shall (unless since the date of such notice there has already been effected an adjustment to the shareholdings of the Members) adjust their respective shareholdings through such transfers of shares between each other as will result in their shareholdings as adjusted reflecting the proportions borne by their respective clearing volumes during the financial year ended on the previous day to the aggregate clearing volumes during such financial year.

(2) On the date appointed by the Board for such purpose pursuant to Article 17.3(2), the Members shall adjust their respective shareholdings through such transfers of shares between each other as will result in their shareholdings as adjusted reflecting the proportions borne by their respective clearing volumes during the period nominated for such purpose by the Board to the aggregate clearing volumes during such period.

17.5 The Board shall cause records to be kept by reference to quarters (or, if so approved by the Board, any lesser periods) in the financial year of the Company of the clearing volumes of the Members and at any time the clearing volume of a Member during any period shall be determined by reference to such records. No such records shall be accepted until approved by the Board. Where any clearing volumes require to be determined for future periods or for a period for which no or no adequate records are available then the clearing volumes of the Members for such period shall be treated as being those determined by the Board on such basis (including an estimated basis) as may to it seem reasonable.

17.6 Subject to Article 17.7 upon the admission to Membership of any new Member the Members shall adjust their respective shareholdings through such transfers of shares between them and to the new Member or such allotment of shares to them and to the new Member or such allotment of shares to the new Member (as determined by the Board) as will result in the shareholdings as adjusted of the Members (including the new Member) reflecting the proportions borne by the clearing volume of each Member (including such new Member) as estimated by the Board for the remainder of the financial year in which such adjustment takes place to the aggregate of the clearing volumes of all the Members (including the new Member) as so estimated.

17.7 The Board may if it thinks fit permit the entry of a new Member on the basis of the allotment to him of a single share in the Company or of the transfer to him of a single share in the Company and without an adjustment of the shareholdings of the existing Members as required by Article 17.6.

17.8 Where any transfer of shares takes place pursuant to either of Articles 17.4 and 17.6 the number of shares transferred, the transferor, the transferee and the price at which the transfer is effected shall all be determined by the Board but so that

(1) the Board shall require only such transfers of shares as are necessary to give effect to 17.4 or 17.6, as the case may be,

(2) the price shall be determined by the Board in accordance with Article 17.10 and

(3) the minimum shareholding permitted to a Member shall be such number of shares as is proportionate to 0.5% (or such lesser percentage as the Board may determine) of the aggregate clearing volumes of the Members.

17.9 Where a notice is issued by the Board pursuant to Article 17.3 or where a new Member is to be admitted to Membership otherwise than as provided by Article 17.7, the Board shall cause independent valuers to ascertain and report to the Company on the value of the Company (determined in accordance with the principles specified in Article 18). The Board shall require such valuers to deliver such report to the Company as soon as practicable and in any event, in the case of a report commissioned following the issue of a notice pursuant to Article 17.3 not later than one month prior to the end of the then current financial year of the Company.

17.10 The price of each share for the purposes of Articles 17.4 and 17.6 shall be determined by the Board by taking the value of the Company as reported by the valuers in accordance with Article 18 and dividing the same by the number of shares in the Company in issue on the date of the transfer thereof (including any shares allotted on such date).

17.11 Where a change in the Members results from the substitution as Member for one company in a corporate group of another company in the same corporate group as a result of a reorganisation within such corporate group, then, unless the Board otherwise requires, no adjustment of shares between the Members as a whole shall be required upon the entry into Membership of the new Member and a transfer of shares between the departing Member and the new Member shall be sufficient. The price at which any such transfer between companies in the same corporate group as a result of reorganisation is effected shall be determined by such companies and not by the Board.

17.12 To give effect to any transfer of shares required pursuant to Article 17 the Board may authorise some person to execute an instrument of transfer of shares on behalf of any Member which does to effect a transfer as required.

18. BASIS OF VALUATION OF THE COMPANY

The basis upon which independent valuers shall value the Company for the purposes of Articles 17 and 19 shall be determined by the Board.

19. TERMINATION OF MEMBERSHIP

19.1 Upon the termination of the Membership of any Member there shall be effected an adjustment as between the Members (including the departing Member) in the same manner *mutatis mutandis* as provided by Article 17.6 save that

(1) pending determination of the adjustment required the Board may require that the whole or any part of the departing Member's shareholding in the Company be transferred to a nominee designated by the Board

(2) the Board shall be entitled to determine the price payable in respect of any shares to be transferred by the departing Member initially upon an estimated basis and subject to adjustment upon receipt of a report of independent valuers as to the value of the Company (such report being commissioned and prepared in the same manner as the report referred to in Article 17.9) and

(3) the Board shall be entitled to require any Member or nominee who is, under such share transfer arrangements, to pay any sums to the departing Member to pay such (or such part of) such sums as the Board may determine to the Company on account of or in discharge of any moneys payable or to become payable by the departing Member to the Company, including moneys payable or to become payable by way of contribution towards any costs or liabilities incurred by the Company.

19.2 Notwithstanding the termination of a Member's Membership, such Member shall remain liable to make contributions to the Company in accordance with Article 8 in respect of the period during which such Member was a shareholder in the Company.

19.3 The death or dissolution of or bankruptcy, receivership or other insolvency of a Member shall terminate such Member's Membership.

19.4 In the event that a Member ceases to be entitled to remain a Member as a result of the application of Article 6.1 such Member's Membership shall thereupon terminate.

19.5 Upon the termination of a person's Membership, its rights as a Member, including without limitation any right to exercise any vote in respect of any share in the Company held by such person and any right to appoint a Director pursuant to Article 30, shall also terminate, notwithstanding that such person may remain registered as a Member in the Register.

PART 5 : CAPITAL OF THE COMPANY

20. INCREASE OF CAPITAL

20.1 The Company in general meeting may from time to time by special resolution increase its capital by such sum to be divided into shares of such amounts and with such rights and privileges annexed thereto, as the resolution shall prescribe.

20.2 The Company may, by the resolution increasing its capital, direct that the new shares or any of them shall be offered in the first instance at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may (subject to the provisions of the Companies Acts) make any other provisions as to the issue of the new shares.

20.3 The new shares shall be subject to all the provisions of these Articles with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise.

21. ALTERATIONS OF CAPITAL

21.1 The Company may from time to time by ordinary resolution:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Companies Acts) and so that where the resolution whereby any share is sub-divided is passed as a special resolution, such resolution may determine that as between the holders of the shares resulting from the sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;

(c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

21.2 The Company may by special resolution, subject to any confirmation or consent required by law, reduce its share capital, any capital redemption reserve or any share premium account in any manner.

21.3 Where any difficulty arises in regard to any consolidations and division under paragraph (a) of Article 21.1, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions, subject to Article 11.1, and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

PART 6 : GENERAL MEETINGS

22. GENERAL MEETINGS

22.1 The Board shall in each year convene and the Company shall hold a general meeting as its annual general meeting in accordance with the requirements of the Companies Acts at such time and place as the Board shall appoint.

22.2 Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

22.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by Section 368 of the 1985 Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board.

22.4 The time and place of any meeting shall be determined by the conveners of the meeting.

23. NOTICE OF GENERAL MEETINGS

23.1 (1) An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice in writing. Any other meeting of the Company shall be called by not less than fourteen days' written notice.

(2) The period of notice shall be exclusive of the day on which the notice is served or deemed to be served and of the day for which it is given and the notice shall specify the place, day and time of meeting and, in the case of special business, the general nature of that business.

(3) The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or, as the case may be, an extraordinary resolution.

(4) Notice of every general meeting shall be given in manner herein mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to each of the Directors, the Association, the Chief Executive of the Company and the Chief Executive of the Association.

(5) In every notice convening a meeting, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him and that a proxy need not be a Member.

Providing that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-

(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 90% in nominal value of the shares giving that right.

23.2 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any Member entitled to receive such notice shall not invalidate the proceedings of that meeting.

23.3 The omission to give notice of a meeting (for whatever reason) to any of the Directors, the Association, the Chief Executive of the Company or the Chief Executive of the Association shall not invalidate the proceedings of that meeting.

24. PROCEEDINGS AT GENERAL MEETING

24.1 All business to be transacted at an extraordinary general meeting and all business to be transacted at an annual general meeting other than its ordinary business shall be deemed special business. No business may be transacted at an extraordinary general meeting, and

no business other than ordinary business may be transacted at an annual general meeting, unless due notice of such business has been given.

24.2 The ordinary business of an annual general meeting shall be :-

- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the accounts; and
- (c) the fixing, or the determining of the method of fixing, of the remuneration of the Directors and of the Auditors.

24.3 No business, other than the appointment of a chairman, shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided by these Articles, at any general meeting two or more Members present in person or by proxy and entitled to vote being not less than 50% of the Members of the Company entitled to notice of and to attend and vote at such meeting shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of the Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Acts.

24.4 If within fifteen minutes after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Chairman of the meeting may determine.

24.5 Each Director shall be entitled to attend and speak at any general meeting of the Company.

24.6 The Chairman (if any) of the Board or, in his absence, the deputy Chairman (if any) shall preside as Chairman at every general meeting. If there is no such Chairman or deputy Chairman, or if at any meeting neither the Chairman nor the deputy Chairman is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing or able to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present shall preside as chairman if willing to act. If no Director is present,

or if each of the Directors present decline to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman of the meeting.

24.7 The Chairman may with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

24.8 Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

25. VOTING

25.1 At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded either by the Chairman of the meeting or by any Member or Members present in person or by proxy and having the right to attend and vote at the meeting or any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting.

25.2 Unless a poll is demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

25.3 The demand for a poll may be withdrawn.

25.4 If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

25.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll which is not taken forthwith.

25.6 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

25.7 The chairman of any general meeting shall not, notwithstanding an equality of votes at such general meeting, be entitled to an additional or casting vote.

26. VOTES OF MEMBERS

26.1 Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person (including any corporation represented by proxy or in accordance with the Companies Acts) at a general meeting of the Company shall have one vote, and on a poll every Member who is present in person or by proxy shall have one vote for each share of which he is the holder.

26.2 On a poll, votes may be given either personally or by proxy.

26.3 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

26.4 In the case of joint holders of a share the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

26.5 A Member who is a patient for the purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a committee or curator bonis appointed by such Court as such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings. If a Member who is such a patient votes at any general meeting at a time when the Company had no knowledge of his being such a patient, then such vote may be counted.

26.6 No Member shall, unless the Board otherwise determines, be entitled to be present or vote at any general meeting or to exercise any privilege as a Member in relation to meetings of the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or if he or any person appearing to be interested in such shares has been duly served with a notice under the Companies Acts and is in default in supplying to the Company the information thereby required within the period of 28 days from the date of such notice. For the purpose of this Article, a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the Companies Acts which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

26.7 If at any general meeting (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the objection is raised or the error pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if in the opinion of the Chairman, the objection or error is of sufficient magnitude to affect the result of the voting. The decision of the Chairman on such matters shall be final and conclusive.

27. PROXIES

27.1 (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

(2) A proxy shall have the same powers to vote and speak at a meeting of the Company as a Member present in person. A proxy need not be a Member of the Company.

27.2 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Registered Office of the Company (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any

document sent therewith) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

27.3 Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well as for any adjournment of the meeting as for the meeting to which it relates.

27.4 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

28. REPRESENTATIVES OF CORPORATIONS

Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person authorised is present thereat.

29. MEMBERS' RESOLUTIONS

Subject to the provisions of the Companies Acts, a resolution in writing signed by all the Members of the Company who, at the date of such resolution, were entitled to receive notice of and to attend and vote at general meetings or by their duly appointed attorneys, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of one document signed by all the Members or of several documents in the like form each signed by one or more of the Members. Each signature may be given personally or by a duly appointed attorney or in the case of a corporation by an officer or by its duly authorised attorney or representative.

PART 7 : DIRECTORS

30. APPOINTMENT AND REMOVAL OF DIRECTORS

30.1 Subject to Article 30.2, each Member shall be entitled by notice in writing to the Company to appoint any one person as a Director of the Company and by the like notice to remove any Director so appointed by it and to appoint another in his stead.

30.2 Where two or more Members are members of the same corporate group, then the right to issue a notice pursuant to Article 30.1 shall be held by such one of them as they may determine but such nomination shall not be effective unless in writing and until it has been received by the Company and in the absence of such a nomination the Member entitled to issue such a notice shall be determined as follows:

(a) where there is a holding company/subsidiary company relationship between the two or more Members, then as between the Members in such relationship the holding company shall be the Member entitled to issue such a notice; and

(b) where there is no such relationship between any of the two or more Members, then as between such Members the first to become a Member shall be the Member entitled to issue such a notice.

31. DISQUALIFICATION OF DIRECTORS

31.1 The office of a Director shall be vacated if:

- (a) the Director resigns his office by written notice to the Company; or
- (b) the Director becomes of unsound mind or a patient for the purpose of any statute relating to mental health and the Board resolves that his office is vacated; or
- (c) the Director has without leave, been absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for three consecutive Board meetings and the Board resolves that, by reason of such absence, his office is vacated; or
- (d) the Director becomes bankrupt or makes any arrangement or composition with his creditors; or
- (e) the Director is prohibited by law from being a Director; or
- (f) the Director ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Articles; or
- (g) the Membership of the Member by whom he was appointed terminates.

32. DIRECTORS' REMUNERATION AND EXPENSES

32.1 In addition to any remuneration payable to a Director for his services to the Company as an executive of the Company, each Director shall be entitled to such fees for his services as a Director as shall from time to time be determined by the Company by ordinary resolution in general meeting or in default by the Board. Such remuneration shall, subject to any special directions of the Company in general meeting be deemed to accrue from day to day.

32.2 Each Director may also be paid all reasonable travelling, hotel and incidental expenses properly incurred by him in attending and returning from meetings of the Board or committees of the Board or general meetings or in connection with the business of the Company.

32.3 Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for, by, or pursuant to, any other Article.

33. ALTERNATE DIRECTORS

(1) A Director may at any time and from time to time appoint any other Director, or any other person approved by the Board, or, where the Director has been appointed by a Member in accordance with Article 30.1, any other person who is an officer or employee of such Member, as his alternate and may at any time revoke any such appointment. Any such appointment may be special, that is limited to a particular meeting, or general, that is effective until determined.

(2) In the absence of his appointor, a special alternate shall be entitled to represent his appointor and vote in his place at the meeting referred to in his appointment.

(3) A general alternate shall (subject to his giving to the Company an address for service within the United Kingdom) be entitled to notice of meetings of Directors, to attend and vote as a Director at any meeting at which his appointor is not personally present, and generally, in the absence of his appointor, to exercise all the functions of his appointor as a Director.

(4) A Director present at a meeting of Directors and appointed alternate (whether special or general) for another Director shall have an additional vote or votes (including any additional vote under Article 36.4) for each of his appointors absent from such meeting.

(5) An alternate Director shall be deemed an officer of the Company and not the agent of his appointor.

(6) The appointor of an alternate Director may direct the payment to the alternate Director of part or all of the remuneration which would otherwise be payable to the appointor. Except as so directed, an alternate Director shall not be entitled to any remuneration from the Company for acting in that capacity.

(7) An alternate Director shall cease to be an alternate Director if for any reason his appointment is revoked or his appointor ceases to be a Director or if he resigns.

(8) All appointments and revocations of appointments and resignations of alternate Directors shall be in writing left at the Company's Registered Office and signed by the appointor or in case of resignation by the alternate.

(9) An alternate Director shall not require any share qualification but a general alternate by virtue of his office shall be entitled to attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company whether or not he is entitled to attend by virtue of a holding of shares and whether or not his appointor is present.

34. DIRECTORS' INTERESTS

34.1 Subject to the provisions of the Acts, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office-

(a) may be party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, (i) any body corporate promoted by the Company, (ii) any body corporate in which the Company is otherwise interested or (iii) in any Member; and

(c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

34.2 For the purposes of Article 34.1

(a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to

be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

PART 8 : THE BOARD

35. POWERS AND DUTIES OF THE BOARD

35.1 The business of the Company shall be managed by the Board, which may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Companies Acts or by these Articles required to be exercised by the Company in general meeting subject nevertheless, to the provisions of the Companies Acts and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

35.2 The Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and, subject to Section 128 of the 1985 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.

35.3 The Board may by power of attorney appoint any company, firm or persons or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in, or exercisable by, the Board under these Articles) and for such period and subject to such conditions as it may think fit; and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

35.4 The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

35.5 The Company may exercise the powers conferred by the Companies Acts with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

35.6 Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.

35.7 All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

35.8 The Board shall cause minutes to be made in books provided for the purpose:-

(a) of all appointments of officers made by the Board;

(b) of the names of the Directors present at each meeting of the Board or committee of the Board; and

(c) of all resolutions and proceedings at all meetings of the Company and of the Board and of any committee of the Board.

Any such minute of any meeting of the Board or of any committee appointed by the Board or of the Company shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and, if purporting to be so signed, shall be sufficient evidence without any further proof of the facts therein stated.

35.9 The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director provided that no pension, annuity or other allowance or benefit (except such

as may be provided for by any other Article) shall be granted to a Director or former Director who has not been a Director holding or who has held any executive or other office or place of profit under the Company (or to a person who has no claim on the Company except as a relation, connection or dependent of such a Director or former Director) without the approval of an ordinary resolution of the Company. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

36. PROCEEDINGS OF THE BOARD

36.1 (1) The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a three-fourths majority of Eligible Votes. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.

(2) In these Articles "Eligible Votes" means the aggregate of the votes of all Directors for the time being entitled to attend and vote at meetings of the Board, including any additional votes held by virtue of Article 36.4, and "Eligible Vote" means any of such votes.

(3) A meeting of Directors may be validly held notwithstanding that such Directors may not be in the same place provided that they are in constant communication with each other throughout by telephone, television or other form of communication.

36.2 The Board may from time to time determine a minimum period of notice of a Board meeting to be given, subject to Article 36.3, to each Director and in the absence of any such determination the minimum period of notice shall be 48 hours. Provided that with respect to any meeting of the Board the minimum period of notice shall be waived if so agreed by not less than 90% of the Directors entitled to notice of and to attend and vote at such meeting.

36.3 Notice of a Board meeting shall be deemed to be duly given to a Director if the same is given to him personally or by word of mouth or sent to him at his last-known address or any other address given by him to the Company for this purpose, provided that it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

36.4 The Director appointed pursuant to Article 30.1 by a Member whose clearing volume exceeds 10% of the total clearing volume of the Company shall by virtue thereof be entitled to an additional vote at meetings of the Board, and each of the ordinary vote of such Director and his additional vote pursuant to this Article shall be an Eligible Vote.

36.5 The quorum necessary for the transaction of the business of the Board shall be such number of Directors as hold not less than three-fourths of Eligible Votes and who together represent Members having not less than 50% of the total clearing volume of the Company. Any Director who ceases to be a Director at a Board meeting may continue to be present and act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present. An absent Director who is represented by an alternate Director present at a meeting of Directors may be counted in reckoning whether a quorum is present. Subject to the Companies Acts and to his having declared his interest in accordance with Article 34, a Director may vote in respect of any contract, transaction or arrangement of the Company in which he is interested and shall be counted in reckoning whether a quorum is present.

36.6 The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director (notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director) may act for the purpose of appointing sufficient Directors to bring the Board up to the requisite number or of summoning general meetings of the Company but not for any other purpose.

36.7 The Board may elect a Chairman of the Board to act as chairman of its meetings and the Board may determine the period for which he is to hold office, the terms and conditions of his appointment and his remuneration. Any Chairman so elected may be removed by the Board at any time and from time to time. The Chairman need not be a Director. Where the Chairman is not also a Director appointed by a Member he shall, by virtue of his office as Chairman, have one vote (but no additional or casting vote) at meetings of the Board, except during any period when there is a Director who has been appointed by a Member of which the Chairman is an officer or employee. Where the Chairman is the Director appointed by a Member, he shall have no additional vote by virtue of his office as Chairman. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

36.8 A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

36.9 The Board shall be entitled to invite any person who is not a Director to attend and speak at any of its meetings but no such person shall have a vote at any such meeting. The Chief Executive of the Company and the Chief Executive of the Association shall be entitled to receive notice of, and either in person or by representative to attend and speak at, all meetings of the Board, but neither shall have a vote at any such meetings by virtue of his office. The omission to give such notice of a meeting (for whatever reason) shall not invalidate the proceedings of that meeting.

36.10 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as a resolution passed at a meeting of the Board duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors. A copy of any such resolution in writing shall be given to the Chief Executive and to the Chief Executive of the Association.

36.11 All acts done by the Board or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if such person had been duly appointed and was qualified and had continued to be a Director.

37. COMMITTEES

37.1 The Board may delegate any of its powers, authorities and discretions (with or without power to sub-delegate) to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit but always including at least one Director. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board and, subject thereto, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board.

37.2 A resolution in writing signed by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of such committee duly called and constituted. Such resolution may be contained in one document or in several

documents in the like form each signed by one or more members of the committee concerned.

37.3 All acts done by any committee or by any person acting as a member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of such committee.

37.4 A meeting of a committee may be validly held notwithstanding that its members may not be in the same place provided that they are in constant communication with each other throughout by telephone, television or other form of communication; and all members entitled to attend such meetings so agreed.

37.5 The Chief Executive shall be entitled to receive notice of all meetings of a committee and to attend either personally or by representative and to speak at such meetings, but he shall not have any vote at committee meetings by virtue of his office.

37.6 The Chief Executive of the Association shall be entitled to receive notice of all meetings of a committee and to attend either personally or by representative and to speak at such meetings, but he shall not have any vote at committee meetings by virtue of his office.

PART 9 : OTHER OFFICERS

38. CHIEF EXECUTIVE

A Chief Executive of the Company may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive so appointed may be removed by the Board from time to time and at any time.

39. EXECUTIVE OFFICERS AND OTHER OFFICERS

39.1 Executive directors of the Company may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Executive director so appointed may be removed by the Board from time to time and at any time.

39.2 The Board may from time to time appoint any person to an office of the Company not expressly provided for by these Articles upon such terms, including as to term of office, remuneration and conditions as the Board may think fit. Any such office may bear such title (not being a title already provided for by these Articles) as the Board may think fit; whilst such title may include the word "director", no holder of such an office shall nor shall any Executive director appointed pursuant to Article 39.1, by virtue thereof be entitled to any of the rights and privileges of a Director.

40. SECRETARY

40.1 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board from time to time and at any time.

40.2 A provision of the Companies Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

PART 10 : DIVIDENDS, RESERVES AND CAPITALISATION OF PROFITS

41. DIVIDENDS AND OTHER PAYMENTS

41.1 The Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.

41.2 Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:-

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and

(b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

41.3 The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company; the Board may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment. A resolution of the Board declaring any interim dividend shall (once announced) be irrevocable and have the same effect in all respects as if such dividend had been declared upon the recommendation of the Board by an ordinary resolution of the Company.

41.4 The Board may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

41.5 No dividend or other moneys payable on or in respect of any share shall bear interest against the Company.

41.6 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

41.7 Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on, or in respect of, a share into a separate account shall not constitute the Company a trustee in respect thereof.

41.8 Any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in

particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

42. RESERVES

42.1 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

43. CAPITALISATION OF PROFITS

43.1 (1) The Company in general meeting may, upon the recommendation of the Board at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution: Provided that, for the purposes of this Article, a share premium account and a capital redemption reserve fund may only be applied in the paying up of unissued shares to be issued to such Members credited as fully paid.

(2) The Company in general meeting may on the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full

unissued shares to be allotted as fully paid bonus shares to those Members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions) and the Board shall give effect to such resolution.

43.2 Where any difficulty arises in regard to any distribution under the last preceding Article, the Board may settle the same as it thinks expedient and, in particular, may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

PART 11 : MISCELLANEOUS

44. RECORD DATES

Notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

45. ACCOUNTS

45.1 The Board shall cause proper accounting records to be kept in accordance with the Companies Acts.

45.2 The books of account shall be kept at the Registered Office of the Company or, subject to the Companies Acts, at such other place or places as the Board may think fit and shall at all times be open to inspection by the Directors and Officers of the Company.

45.3 The Directors shall from time to time in accordance with the Companies Acts cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) reports and notes as are referred to in those Acts.

45.4 A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the Auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

46. AUDIT

Auditors shall be appointed and their duties regulated in accordance with the Companies Acts.

47. THE SEAL

The Board shall provide for the safe custody of the Seal, which shall not be affixed to any instrument except in the presence of at least two Directors or at least one Director and the Secretary and such Directors or Director and Secretary shall sign every instrument to which the Seal is so affixed in their presence.

48. SERVICE OF NOTICES AND OTHER DOCUMENTS

48.1 Any notice or other document (including a share certificate) may be served on or delivered to any Member of the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. All notices or other documents served on or delivered to joint holders shall, unless such holders otherwise in writing direct, be served on or delivered to that one of the joint holders whose name stands first in the Register and such service or delivery shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

48.2 Any Member described in the Register by an address not within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address but, save as aforesaid, no Member other than a Member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

48.3 Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the second day next after that on which the envelope containing the same is put in the post if sent by first-class mail and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed stamped and put in the post. A notice or document given or served by exhibition or advertisement shall be deemed to be given or served on the day on which the same is first exhibited or advertised.

48.4 Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

48.5 The signature to any notice required to be given by the Company may be written or printed.

49. DESTRUCTION OF DOCUMENTS

49.1 The Company may destroy:

(1) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration;

(2) all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of one year from the date of such cancellation or cessation; and

(3) all notifications of change of name or address after the expiration of one year from the date they were recorded. It shall conclusively be presumed in favour of the Company that every entry in the Register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in

accordance with the recorded particulars thereof in the books or records of the Company.
Provided always that:

(a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

(b) references to an instrument of transfer shall be deemed to include references to any document constituting the renunciation of an allotment of any shares in the Company by the allottee in favour of some other person;

(c) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and

(d) references in this Article to the destruction of any document include references to its disposal in any manner.

50. INFORMATION

The Company and its Members shall provide the Association with such information regarding the Company as shall be required by the Association in order to attain and further its objects subject to any legal obligations of confidentiality of the Company or relevant Members.

51. WINDING UP

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability.

52. INDEMNITY

Every Director, Chief Executive, Executive Director, Secretary, Agent, Auditor and other officer for the time being of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him as such Director, Chief Executive, Executive Director, Secretary, Agent, Auditor and other officer 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 the Companies Acts in which relief from liability is granted to him by the Court.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

M B Wood
35 Basinghall Street
London EC2V 5DB

Solicitor

Martin J D Roberts
35 Basinghall Street
London EC2V 5DB

Solicitor

DATED the 2nd day of September 1971

Witness to the above signatures:

P A J Woods
35 Basinghall Street
London EC2V 5DB

Solicitor

THE COMPANIES ACT 1985
**MEMORANDUM AND
ARTICLES OF ASSOCIATION
BACS LIMITED**

John Walsh
Chair