

Company Number: 2299283

COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ORDINARY AND SPECIAL RESOLUTIONS

OF

RETIREX LIMITED

Passed on 5 January

1996

At an Extraordinary General Meeting of the above-named Company duly convened and held at 69 Park Lane, Croydon, CR9 1BG on 5 January 1996 the following resolutions were duly passed:

ORDINARY RESOLUTIONS

1. THAT the 450 'A' Ordinary Shares of £1 each, fully paid, in the Company's current issued share capital be reclassified as Ordinary Shares of £1 each, fully paid and ranking pari passu with the existing Ordinary Shares of the Company.
2. THAT the 550 'B' Ordinary Shares of £1 each, fully paid, in the Company's current issued share capital be reclassified as Ordinary Shares of £1 each, fully paid and ranking pari passu with the existing Ordinary Shares of the Company.

SPECIAL RESOLUTIONS

3. THAT the Memorandum of Association of the Company be altered with respect to its object by:
 - (i) the renumbering in clause 3 of sub-clause 3.31 as sub-clause 3.32; and
 - (ii) the insertion in clause 3 of the following new sub-clause as sub-clause 3.31 after the existing sub-clause 3.30:

COMPANIES HOUSE



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- "3.31 To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any Subsidiary Undertaking of the Company or of any such other Company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other Company or Subsidiary Undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability insured by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, Subsidiary Undertaking or pension fund and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability."
4. THAT the regulations contained in the document marked Appendix A and submitted to this meeting and, for the purpose of identification, signed by the Chairman hereof, be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

A handwritten signature, likely of the Chairman, is written in ink. The signature is stylized and appears to be "H. van" followed by a long, sweeping underline.

Company Number: 2299283

THE COMPANIES ACT 1985

MEMORANDUM

AND

ARTICLES OF ASSOCIATION OF

RETIREX LIMITED

COMPANY LIMITED BY SHARES

COMPANIES HOUSE

FILE COPY



**CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY**

No. 2299283

I hereby certify that

RETIREX LIMITED

is this day incorporated under the Companies Act 1985 as
a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the 23 SEPTEMBER 1988

S. H. Phillips
S. H. Phillips

an authorised officer

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION*

OF RETIREX LIMITED

1. The name of the company is Retirex Limited.
2. The registered office of the company will be situate in England or Wales.
3. The objects for which the company is established are:-
 - 3.01 (a) To carry on the business of a Holding Company in all its branches, and to acquire by purchase, lease, concession, grant, licence or otherwise deal in such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit, and generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, and to enter into, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings, and business of every description. To co-ordinate the policy and administration of any subsidiary companies or any companies of which this Company is a Member or which are in any manner controlled by this Company. To carry on all or any of the businesses of building and civil engineering contractors, land, estate and property developers, repairers and jobbers, estate agents and managers, mortgage and insurance brokers, and agents, surveyors, valuers and auctioneers, builders' merchants, plant hire specialists, painters, decorators, plumbers, haulage and transport contractors, electrical and general engineers, financiers for the promotion of the sale for cash or on credit, or on the instalment plan or hire purchase agreement or easy payment system or otherwise of goods, wares, produce, products and merchandise of every description, and general merchants, agents and traders. To carry on business as bankers, financiers and generally to undertake the raising of funds.
 - 3.01 (b) to purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any company, society, partnership or person carrying on any business which the Company is authorised to carry on or possessed of property suitable for any of the purposes of the Company, and to conduct and carry on, or liquidate and wind up, any such business.
 - 3.02 To purchase, take on lease or in exchange, hire or otherwise acquire and hold, for any estate or interest, and manage any lands, buildings, servitudes, easements, rights, privileges, concessions, machinery, plant, stock-in-trade and any heritable or moveable real or personal property of any kind.

*This Memorandum of Association was last amended by Special Resolution of the Company passed on 5 January 1996.

- 3.03 To purchase or otherwise acquire any patents, brevets d'invention, licences, concessions, copyrights, trade marks, designs and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention, process or development which may seem to the Company capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, to use, exercise, develop, grant licences in respect of or otherwise turn to account any of the same and with a view to the working and development of the same to carry on any business whatsoever, whether manufacturing or otherwise, which the Company may think calculated directly or indirectly to achieve these objects.
- 3.04 To form, promote, subsidise and assist companies, syndicates or other bodies of all kinds and to issue on commission or otherwise underwrite, subscribe for and take or guarantee the payment of any dividend or interest on any shares, stocks, debentures or other capital or securities or obligations of any such companies, syndicates or other bodies, and to pay or provide for brokerage commission and underwriting in respect of any such issue.
- 3.05 To enter into partnerships or into any arrangement for sharing profits, union of interest, co-operation, reciprocal concessions or otherwise with any person or company for the purpose of carrying on business within any of the objects of the Company.
- 3.06 To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- 3.07 To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for any of the purposes of the Company.
- 3.08 To develop, work, improve, manage, lease, mortgage, charge, pledge, turn to account or otherwise deal with all or any part of the property of the Company, to surrender or accept surrender of any lease or tenancy or rights, and to sell the property, business or undertaking of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for cash or shares, debentures or securities of any other company.
- 3.09 To construct, erect, maintain, alter, replace or remove any buildings, works, offices, erections, plant, machinery, tools, or equipment as may seem desirable for any of the businesses or in the interests of the Company, and to manufacture, buy, sell and generally deal in any plant, tools, machinery, goods or things of any description which may be conveniently dealt with in connection with any of the Company's objects.
- 3.10 To manage and conduct the affairs of any companies, firms and persons carrying on business of any kind whatsoever, and in any part of the world.

- 3.11 To enter into, carry on and participate in financial transactions and operations of all kinds and to take any steps which may be considered expedient for carrying into effect such transactions and operations including, without prejudice to the generality of the foregoing, borrowing and lending money and entering into contracts and arrangements of all kinds.
- 3.12 to borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and, if the Company thinks fit, charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance.
- 3.13 To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets and rights present and future and uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of any payment of any moneys whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by section 736 of the Companies Act 1985) of the Company or of the Company's holding company or is otherwise associated with the Company in its business.
- 3.14 To grant indemnities of every description and to undertake obligations of every description.
- 3.15 To make, draw, accept, indorse and negotiate bills of exchange or other negotiable instruments and to receive money on deposit or loan.
- 3.16 To pay all or any expenses incurred in connection with the formation and promotion and incorporation of the Company and to pay commission to and remunerate any person or company for services rendered in underwriting or placing, or assisting to underwrite or place, any of the shares in the Company's capital or any debentures or other security of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- 3.17 To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up 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 Company may determine.

- 3.18 To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- 3.19 While the Company remains a private company, and subject to the provisions of the Companies Act 1985 to:
- (a) remunerate or undertake to remunerate any person, firm or company rendering services to the Company, whether by cash payment or by the allotment to him it or them of shares or securities of the Company credited as paid in full or in part or otherwise; and
 - (b) give financial assistance (within the meaning of section 152(1)(a) Companies Act 1985).
- 3.20 To make loans or donations to such persons and in such cases (and in the case of loans either of cash or of other assets) as the Company may think directly or indirectly conducive to any of its objects or otherwise expedient.
- 3.21 To distribute among the members in specie any property of the Company or any proceeds of sale, disposal or realisation of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- 3.22 To subscribe for, purchase or otherwise acquire, take, hold, or sell any shares or stock, bonds, debentures or debenture stock, or other securities or obligations of any company and to invest or lend any of the moneys of the Company not immediately required for its operations in such manner, with or without security, and whether at home or abroad, as the Company may think fit.
- 3.23 To amalgamate with any other company whose objects are or include objects similar to those of the Company and on any terms whatsoever.
- 3.24 To procure the Company to be registered or recognised in any country or place abroad.
- 3.25 To obtain any provisional or other order or Act of Parliament of this country or of the legislature of any other State for enabling the Company to carry any of its objects into effect, or for effecting any modifications of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceeding or application which may seem calculated, directly or indirectly, to prejudice the Company's interests.

- 3.26 To appoint any person or persons, firm or firms, company or companies to be the attorney or agent of the Company and to act as agents, managers, secretaries, contractors or in similar capacity.
- 3.27 To insure the life of any person who may, in the opinion of the Company, be of value to the Company as having or holding for the Company interests, goodwill or influence or other assets and to pay the premiums on such insurance.
- 3.28 To establish and maintain or procure the establishment and maintenance of contributory or non contributory pension or superannuation funds for the benefit of the persons referred to below, to grant emoluments, pensions, allowances, donations, gratuities and bonuses to such persons and to make payments for or towards insurance on the life of lives of such persons; to establish, subsidise, subscribe to or otherwise support any institution, association, society, club, other establishment or fund, the support of which may, in the opinion of the Company, be calculated directly or indirectly to benefit the Company or any such persons, or may be connected with any place where the Company carries on business; to institute and maintain any institution, association, society, club or any other establishment or profit-sharing scheme, calculated to advance the interests of the Company or such persons; to join, participate in and subsidise or assist any association of employers or employees or any trade associations; and to prescribe or guarantee money for charitable or benevolent objects or for any public, general or useful object or for any exhibition; the said persons are any persons who are or were at any time in the employment or service of the Company or of any company which is for the time being the holding company or a subsidiary (both as defined by section 736 Companies Act 1985) of the Company or of the Company's holding company or is otherwise associated with the Company in its business or who are or were at any time directors or officers of the Company or of such other company as aforesaid, the holding or who held any salaried employment or office in the Company or such other company, and the wives, widows, families or dependants of any such persons.
- 3.29 To take, make, execute, enter into, commence, carry on, prosecute or defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes, and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.
- 3.30 To do all or any of the above things in any part of the world and either as principals, agents, contractors, trustees, or otherwise, and either alone or in conjunction with others.
- 3.31 To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any Subsidiary Undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or Subsidiary Undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any

liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, Subsidiary Undertaking or pension fund and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability.

- 3.32 To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that:

- (a) the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in the United Kingdom or elsewhere, and whether now existing or hereafter to be formed; and
 - (b) the objects set forth in each sub-clause of this Clause shall not be restrictively construed but the widest interpretation should be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by application of the ejusdem generis rule or by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company; none of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.
4. The liability of the Members is limited.
5. The share capital of the Company is £510,000 divided into 10,000 ordinary Shares of £1 each and 500,000 cumulative redeemable preference shares of £1 each.

We, the several persons whose names, addresses and descriptions 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.

Names, addresses and
Descriptions of Subscribers

Number of shares taken
by each Subscriber

JPCORD LIMITED
2nd Floor
223 Regent Street
London W1R 7DB

ONE

Signed on behalf of
JPCORD LIMITED

JPCORS LIMITED
2nd Floor
223 Regent Street
London W1R 7DB

ONE

Signed on behalf of
JPCORS LIMITED

Dated as per copy filed with the Registrar of Companies for Incorporation Purposes.

Witness to the above signatures:-

JOHN O'DONNELL
2nd Floor
223 Regent Street
London W1R 7DB

Chartered Accountant

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION*

OF

RETIREX LIMITED

PRELIMINARY

1.01 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 shall, except as hereinafter provided and so far as not inconsistent to the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to regulations are to regulations in the said Table A unless otherwise stated. (Regulations 71 to 80 (inclusive), and 94 to 98 (inclusive) of Table A shall not apply to the Company; in addition the remaining regulations of Table A, as varied hereby, shall be the Articles of Association of the Company.)

SHARE CAPITAL

2.01 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the Company.

REDEEMABLE PREFERENCE SHARES

3.01 The special rights and restrictions attached to and imposed on the Redeemable Preference Shares are as follows:-

(a) INCOME

- (i) The Redeemable Preference Shares shall confer from the holders thereof ("the Redeemable Preference Shareholders") as a class the right in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company to receive out of the profits of the Company available for the payment of dividends the following fixed cumulative preference dividend ("the Preferential Dividend");
- (ii) The preference dividend shall be the sum equal to 9.75% gross per annum on the amount for the time being paid up (including any premium paid on subscription) on such shares held by the Redeemable Preference Shareholders;
- (iii) The Preferential Dividend shall be paid in arrears on the 31 December;
- (iv) No dividend shall be paid on any ordinary shares unless and until the Preferential Dividend has been actually paid in full in respect of all payments thereof falling due before the relevant date.

*These Articles of Association were adopted by Special Resolution of the Company passed on 5 January 1996.

(b) CAPITAL

In the event of a winding up of the Company or other return of capital the assets of the Company remaining after payment of its debts and liabilities and of the costs charges and expenses of such winding up shall be applied in the following manner and order of priority:-

- (i) First in paying to the Redeemable Preference Shareholders all unpaid arrears and accruals of Preferential Dividend calculated down to and including the relevant date of repayment;
- (ii) Secondly in paying to the Redeemable Preference Shareholders the amount paid up or credited as paid up on the Redeemable Preference Shares held by them respectively (together with any premium paid thereon on subscription);
- (iii) Thirdly in paying to the holders of the ordinary Shares the amount paid up or credited as paid up on such Shares held by them respectively.

(c) REDEMPTION

- (i) The Company shall subject to the provisions of the Companies Act for the time being in force redeem at par (together with any premium paid thereon on subscription) all of the Redeemable Preference Shares which shall remain in issue on 31 December 1998 or at any earlier time provided the Company shall give not less than three months notice in writing to each of the holders of the Redeemable Preference Shares stating the number of his shares due for redemption and naming the place of payment of the redemption monies and for delivery to the Company of the certificate or certificates therefor.
- (ii) On the expiration of a notice given under sub-paragraph (i) above the Company shall be entitled and bound to redeem the Redeemable Preference Shares in respect of which such notice has been given and the relevant Redeemable Preference Shareholders shall be bound to deliver to the Company at the place named in the notice the certificate or certificates for their shares and upon such delivery and against the receipt of the Redeemable Preference Shareholder for the redemption monies payable to him the Company shall pay such redemption monies together with the sum equal to the Preferential Dividend accrued on the Redeemable Preference Shares then redeemed up to the due date of redemption.
- (iii) If any Redeemable Preference Shareholder whose shares are liable to be redeemed under this paragraph shall fail or refuse to deliver up the certificate or certificates for his shares the Company may retain the redemption monies until delivery of the certificate or certificates or of any indemnity in respect thereof satisfactory to the Company but shall within seven days thereafter pay the redemption monies to the shareholder.

(d) VOTING

The Redeemable Preference Shares shall not entitle the holders to receive notice of or to attend at any general meeting.

TRANSFER OF SHARES

3.02 The directors may, in their absolute discretion, and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share, and regulation 24 of Table A shall be modified accordingly.

PROCEEDINGS AT GENERAL MEETINGS

4.01 If a quorum is not present within half an hour of the time appointed for the adjourned meeting, the members present shall be a quorum. Regulation 41 shall be amended accordingly.

BORROWING POWERS

5.01 The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to section 80 of the Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

6.01 The directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, 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 directors under these regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him. Regulation 71 of Table A shall not apply.

6.02 The directors may prescribe by whom and under what conditions powers of attorney shall be signed, executed, amended, granted or made by or on behalf of the Company.

6.03 (a) A director who is in any way, whether directly or indirectly, interested, in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors in accordance with Section 317 of the Act.

(b) A director may be interested, directly or indirectly, in any contract or arrangement with the Company or in which the Company is interested and (except for the office of auditor) he may hold and be remunerated in respect of any office or place of profit under the Company and he or any firm of which he is a partner may act in a professional capacity for the Company and be remunerated therefor. In relation to any such matter a director notwithstanding his interest may vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages accruing to him. Regulations 94 to 98 of Table A shall not apply.

6.04 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, 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 directors shall from time to time by resolution determine.

RETIREMENT BY ROTATION OF THE DIRECTORS

7.01 The directors shall not be required to retire by rotation and accordingly regulations 73 to 80 of Table A shall not apply.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

8.01 Regulation 81 of Table A shall be extended to continue after (e) as follows:-

The office of director shall also be vacated if the director offers to resign or if the director has served upon him notice in writing signed by all the other directors (being at least two) removing him from office as a director, but in the case of a managing director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office.

8.02 The directors shall have power at any time, and from time to time, to appoint any person to be a director, but the total number of directors shall not at any time exceed the number fixed in accordance with these regulations.

COMMITTEES

9.01 The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. Regulation 72 of Table A shall not apply.

9.02 A committee may elect a chairman of its meetings; 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 members present may choose one of their number to be chairman of the meeting.

9.03 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.

MANAGING DIRECTOR

10.01 Regulation 84 of Table A shall extend to include the posts of deputy and assistant managing director and in these regulations references to a managing director shall include a deputy or assistant managing director.

ALTERNATE DIRECTORS

11.01 An alternate director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent mutatis mutandis as if he were a director, but he shall not be entitled to receive from the Company any remuneration for his services as alternate director.

DIVIDENDS AND RESERVES

12.01 The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

12.02 The directors 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 relation to the shares of the Company.

REMUNERATION OF AUDITORS

13.01 The directors are authorised to fix the amount of the remuneration of the auditors.

OVER-RIDING PROVISIONS

14.01 Whenever Commercial Union plc (hereinafter called "the ultimate holding company"), or any subsidiary of the ultimate holding company, shall be the holder of not less than 90 per cent. of the issued ordinary shares the following provisions shall apply and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these regulations:

- (a) the ultimate holding company may at any time and from time to time appoint any person to be a director or remove from office any director howsoever appointed but so that in the case of a managing director his removal from office shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office; and
- (b) no unissued shares shall be issued or agreed to be issued or put under option without the consent of the ultimate holding company; and
- (c) any or all powers of the directors shall be restricted in such respects and to such extent as the ultimate holding company may by notice to the Company from time to time prescribe.

14.02 Any such appointment, removal, consent or notice shall be in writing served on the Company and signed on behalf of the ultimate holding company by any two of its directors or by any one of its directors and its Secretary or by some other person duly authorised for that purpose.

14.03 No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted hereunder or as to whether any requisite consent of the ultimate holding company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time expressed notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.