

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

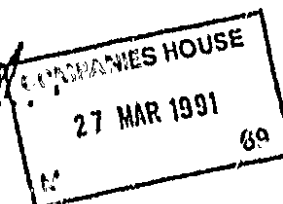
SPECIAL RESOLUTIONS
OF
FUSION METERS LIMITED

Passed the 25th day of March 1991

At an Extraordinary General Meeting of the above named Company duly convened and held on the above date the following resolutions were passed as Special Resolutions:-

1. That the existing Articles of Association shall no longer apply to the Company and that in their place the Articles of Association already prepared (a copy of which is attached hereto) be adopted by the Company and that the secretary be directed immediately to register them with the Registrar of Companies.
2. That subject to and with effect from the Resolution numbered 1 in the notice convening this meeting being duly passed, 122,500 of the existing Ordinary Shares of £1.00 each in the nominal capital of the Company including the 1 issued Ordinary Share of £1.00 held by Fusion Group Plc in the capital of the Company be converted to "A" Ordinary Shares and shall have attaching to them all the rights and regulations contained in the new Articles of Association as adopted by such Resolution.
3. That subject to and with effect from the Resolution numbered 1 in the notice convening this meeting being duly passed, 127,500 of the existing Ordinary Shares of £1.00 each in the nominal capital of the Company including the 1 issued Ordinary Share of £1.00 held by Severn Trent Plc be converted to "B" Ordinary Shares and shall have attaching to them all the rights and regulations contained in the new Articles of Association as adopted by such Resolution.


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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

FUSION METERS LIMITED

ADOPTED BY SPECIAL RESOLUTION

DATED 25 MARCH 1991

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COMPANIES HOUSE

27 MAR 1991

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

FUSION METERS LIMITED

INTERPRETATION

1. In these Articles, unless there be something in the subject of context inconsistent therewith:-

"the Company"	means the above named Company
"the Register"	means the Register of Members to be kept pursuant to Section 352 of the Act
""A" Shareholder"	means the holder for the time being of all the "A" Shares in the capital of the Company
""A" Director"	means a Director of the Company appointed in accordance with the provisions hereinafter contained by the "A" Shareholder and shall include such Director's duly appointed Alternate as the case may be
""B" Shareholder"	means the holder for the time being of all the "B" Shares in the capital of the Company
""B" Director"	means a Director of the Company appointed in accordance with the provisions hereinafter contained by the "B" Shareholder and shall include such Director's duly appointed Alternate as the case may be
"the Act"	means the Companies Act 1985 as amended by the Companies Act 1989
2. The Regulations contained in Table A in the Schedule to The Companies (Alteration of Table A etc.) Regulations 1985 (hereinafter called "Table A") shall, except where the same are excluded or varied by or are inconsistent with these Articles, apply to the Company. Any reference to "the Companies Acts" means any statutes from time to time in force concerning companies as the same apply to the Company.

SHARE CAPITAL

3. At the date of adoption of these Articles the authorized share capital of the Company is £250,000 divided into 122,500 "A" Ordinary Shares of £1 each (hereinafter called

the "A" Shares, and 127,500 "B" Ordinary Shares of £1 each (hereinafter called "the "B" Shares")

4. The "A" Shares and the "B" Shares shall be deemed to represent separate classes of shares for such purposes as are specifically provided for in these Articles, but otherwise shall rank pari passu in all respects.

5.1 Unless in any particular case the holders of all the "A" and "B" Shares shall otherwise agree, all new shares hereafter created shall be "A" Shares of £1 each and "B" Shares of £1 each in the proportion of forty nine "A" Shares for every fifty one "B" Shares and all shares hereafter issued shall be issued as "A" Shares of £1 each and "B" Shares of £1 each in the proportion aforesaid and such shares shall be issued at such time for such consideration and upon such terms and conditions as the Directors may by unanimous resolution determine but so that no shares shall be issued at a discount except in accordance with Section 57 of the Act and provided always that on each occasion of issue such "A" and "B" Shares shall be issued (subject to the terms hereof) on like terms and conditions. All new shares shall be subject to all the provisions of these Articles with reference to the payment of all calls, liens, transfer, transmission, forfeiture and otherwise.

5.2 Unless in any particular case the holders of all the "A" Shares and "B" Shares shall otherwise have agreed in writing, all "A" Shares shall be for issue by offer to the holders for the time being of the "A" Shares and all "B" Shares shall similarly be offered to the holders for the time being of the "B" Shares. Any such offer shall be made by notice in writing given by the Directors specifying the number and price of the shares on offer and shall invite each of such holders to state in writing within a given period not being less than 28 days from receipt of the notice whether he is willing to take up the offer and, if so, what maximum number of shares on offer. At the expiration of the time limited by the notice the Directors shall (Subject as hereinafter provided) allocate the shares on offer to or amongst the persons who shall have notified to the Directors their willingness to take any shares and (if more than one) so far as may be pro rata according to the number of "A" Shares or "B" Shares held by such persons respectively at the date of the offer, but so that no person shall be obliged to take more than the maximum number of shares as notified by him as aforesaid and provided always that in no circumstances (save where the holders of all the "A" Shares and "B" Shares shall otherwise have agreed in writing) shall any number of "A" or "B" Shares be issued if as a result of such issue the proportion of "A" Shares in issue to "B" Shares in issue be different from the proportion 49.51 and so that if the holder or holders of only one class of shares shall on offer as aforesaid notify to the Directors his or their willingness to take any shares then no shares of either class shall be issued;

5.3 Subject as hereinbefore provided, all unissued shares shall be under the control of the Directors who may allot, grant options over or otherwise dispose of the same to such persons, at such times and for such consideration and upon such terms and conditions as the holders of all the "A" Shares and "B" Shares shall have agreed in writing. Regulations 2 and 3 of Table A shall be read and construed accordingly.

TRANSFER OF SHARES

6. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until

the name of the transferee is entered in the Register in respect thereof; provided that in the case of a partly paid share the instrument of transfer must also be signed by the transferee.

7. "A" Shares may be transferred freely between persons comprising the "A" Shareholder and "B" Shares may be transferred freely between parties comprising the "B" Shareholder. Shares may be transferred if the transfer is approved (in writing, cable or telex) by the "A" Shareholder and "B" Shareholder.

8. 8.1 Unless the "A" Shareholder and the "B" Shareholder shall otherwise agree in writing, a Transfer Notice (as defined in the Article 8.6 (a) shall be deemed to have been served where there is a change in control of either one of the "A" Shareholder or the "B" Shareholder, by such Shareholder suffering such change of control. For the purposes of this article "change in control" shall mean the disposal of 50 per cent or more of the beneficial interest in the issued share capital of the "A" Shareholder or the "B" Shareholder; or of any direct or indirect holding company of the "A" Shareholder or of the "B" Shareholder ("the Companies") to any third party or parties but shall not include any such disposal:-

8.1.1 (a) to a member of the family of the transferring member or deceased member of the Companies;

(b) to any person or persons acting in the capacity of trustee or trustees of a trust created by a transferring member of the Companies (by deed or by will) or, upon any change of trustees of a trust so created, to the new trustee or trustees (so that any such transfer as aforesaid shall be registered pursuant to this clause only if such shares are to be held upon the terms of the trust) provided that there are no persons beneficially interested under the trust other than the transferring member or members of his family and the voting rights conferred by any such shares are not exercisable by or subject to the consent of any person other than the trustee or trustees of the trust or the member or members of his family;

(c) by the trustee or trustees of a trust to which sub-clause (b) above applies to any person beneficially interested under the trust being the member or a member of his family;

(d) to the legal personal representatives of a deceased member of the Companies where under the provisions of his will or the laws as to intestacy the persons beneficially entitled to any such shares, whether immediately or contingently, are members of the family (as hereinafter defined) of the deceased member and by the legal personal representatives of a deceased member to a member or members of the family of the deceased member;

(e) to any other member of the Companies;

8.1.2 For the purposes of clause 8.1.1:-

- (a) the word "member" shall not include a person who holds shares only in the capacity of trustee, legal personal representative or trustee in bankruptcy but shall include a former member in any case where the person concerned ceased to be a member as the result of the creation of the relevant trust; and
- (b) the words "a member of the family" of a member shall mean the husband, wife, widower, widow, child and remoter issue (including a child by adoption), parent (including adoptive parent), brother and sister (including a child by adoption), of the member.

8.2 Either of the "A" Shareholder or the "B" Shareholder shall be entitled at any time and without restriction as to price or otherwise to transfer all or any of the Shares held by it to any company which is a direct or indirect holding company of such Shareholder and any direct or indirect subsidiary company of such holding company provided that such holding company or subsidiary company shall transfer such Shares back to the Shareholder concerned if they so cease to be so related.

8.3 8.3.1 This Article shall apply in any case where:-

- (a) a matter relating to the affairs of the Company has been considered and approved by a meeting of the Board; and
- (b) pursuant to the provisions of this Agreement that matter required the consent of both of the Shareholders; and
- (c) both such consents are not given within 14 days from the date of notice by the Company to each Shareholder requesting such consent; or
- (d) where the meeting of the Board has been unable to reach approval as contemplated in Article 8.1.3 (a).

Any such case is hereinafter referred to in this Article 8.1 as a "disputed matter".

8.3.2 In any case of a disputed matter each of the "A" Shareholder and the "B" Shareholder shall, within 7 days after the dispute shall have arisen or become apparent, cause its appointees on the Board to prepare and circulate to the other Shareholder and other Directors a memorandum or other form of statement setting out its position on the disputed matter and its reasons for adopting such position. Each such memorandum or statement shall be considered by the Managing Director or Chief Executive (as the case may be) of each respective Shareholder then holding office who shall respectively use their reasonable endeavours to resolve such dispute. If they agree upon a resolution or disposition of the disputed matter, they shall jointly execute a statement setting forth the terms of such resolution or disposition and the Shareholders shall exercise the voting rights and other powers of control available to them in relation to the Company to procure that such resolution or disposition is fully and promptly carried into effect.

8.3.3 If a resolution or disposition is not agreed in accordance with the provisions of Article 8.1.4 within 30 days after delivery of the memorandum or statement mentioned therein, or such longer period as the respective Shareholders may agree in writing, and if such disputed matter shall prevent the Company from continuing to achieve its business purposes either the "A" Shareholder or the "B" Shareholder shall be entitled to refer the disputed matter to an independent umpire and whose decision shall be final and binding. If the parties are unable to agree on the identity of such umpire he shall be selected by the President for the time being of the Law Society on the application of either party.

8.3.4 If within one month of a decision of an independent umpire resolving a disputed matter in favour of the "B" Shareholder, the "B" Shareholder has not given the "A" Shareholder notice in writing that the Company will not be implementing such disputed matter the "A" Shareholder may require the "B" Shareholder to purchase the Shares held by the "A" Shareholder (and any connected person) pursuant to Article 8.2 by serving a purchase notice on the "B" Shareholder.

8.3.5 If either the "A" Shareholder or the "B" Shareholder commits or suffers an event of default (as defined in Article 8.4.3 (a) below), or if the "A" Shareholder shall serve a purchase notice under Article 8.6 (a) then the "B" Shareholder:-

(a) (in the case of default by the "A" Shareholder) shall be entitled in its entire discretion to require the "A" Shareholder to sell; and

(b) (in the case of default by the "B" Shareholder not waived by the "A" Shareholder or of a purchase notice served under Article 8.6(a)) shall purchase

all (but not part only of) the Shares held or beneficially owned by the "A" Shareholder (or any connected person)

8.4.2 If the obligation for the "B" Shareholder to purchase the Shares of the "A" Shareholder (or any connected person) arises under Article 8.1.6 the "A" Shareholder shall deliver to the "B" Shareholder within 30 days of the date of the date of service of the notice a duly executed transfer of all its Shares in favour of the "B" Shareholder (or as it may direct) upon full payment to it in sterling in London of the prescribed price for such Shares (as defined in Article 8.2.3 (i) below). The Shares so transferred shall be deemed to be sold by the "A" Shareholder (or any connected person) as beneficial owner with effect from the date of such transfer free from any lien, charge or encumbrance with all rights attaching thereto.

8.4.3 For the purpose of this Article 8 the following expressions shall have the following meanings:-

(a) "an event of default" means either of the "A" Shareholder or the "B" Shareholder committing a material breach of its obligations under this Agreement and, in the case of a breach capable of remedy, failing to

remove the sum within 60 days of being specifically required in writing so to do by the other Shareholder;

- (b) "the prescribed price" shall mean such sum in respect of the Shares in question as may be agreed between the "A" Shareholder and the "B" Shareholder within 21 days of the date of the notice exercising such option or (in default of such agreement between them) such sum as the auditors shall certify to be in their opinion the fair value in the open market of such Shares as between a willing buyer and a willing seller contracting on arm's length terms, having regard to the fair value of the Business as a going concern as at the date of notice exercising such option, but without taking into account (if it is the case) that such Shares represent a minority interest in the Company;

8.5 In the event that a bona fide offer at arm's length is made to purchase any shares in the Company held by the majority Shareholder ("the Offer"), the majority Shareholder shall procure that the offer is extended to the minority Shareholder in respect of the shares held by it at the same price and upon the same terms on which the offer was made to the majority Shareholder.

8.6 Subject to the provisions of Articles 7, 8.1, 8.2, 8.3, 8.4 and 8.5 hereof the right to transfer shares in the Company shall be subject to the following restrictions:-

- (a) If any member of the Company (in this Article called "the vendor") desires to transfer any shares in the capital of the Company other than, in the case of a transfer of "A" Shares, to an existing holder of "A" Shares or, in the case of a transfer of "B" Shares, to an existing holder of "B" Shares it shall give to the Company notice in writing (in this Article called a "transfer notice") of such desire. A transfer notice shall be in respect of all (and not part) of the shares held by such member. A transfer notice shall not (save as provided below) be revocable;
- (b) A transfer notice shall constitute the Directors the vendor's agents for sale in the manner provided in this Articles of the shares to which the transfer notice relates (hereinafter referred to as "the said Shares") (together with all rights then attached thereto) at a price agreed with the vendor or, in default of agreement, which the Auditors shall certify in writing to be the fair value in terms of Article 8.4.3 (b) as at the date of receipt by the Company of the transfer notice. The cost of obtaining the said certificate shall be borne by the Company.
- (c) If the Auditors are asked to certify the value as aforesaid, the Directors shall as soon as they receive the Auditors' certificate, furnish a certified copy thereof to the vendor and the vendor shall be entitled, by notice in writing given to the Company within fourteen days of the service upon him of the said certified copy, to withdraw the transfer notice.
- (d) Within seven days after the price has been fixed as mentioned in paragraph (b) above and unless the Vendor is the sole "A" Shareholder or sole "B" Shareholder, the Directors shall give

notice to all the holders of the "A" Shares (in the case of a transfer notice given in respect of "A" Shares) or the "B" Shares (in the case of a transfer notice given in respect of "B" Shares) (other than the vendor) of the number and price of the shares comprised in the transfer notice and shall invite each of them to state in writing within 28 days after the date of the notice whether he is willing to purchase any and, if so, what maximum number of the said shares.

- (e) If within the period mentioned in paragraph (v) above members to whom the notice therein mentioned was given have expressed their willingness to purchase all the shares comprised in the transfer notice, the Directors shall give the vendor written notice thereof and not sooner than five days thereafter shall proceed to allocate those shares among those members so far as may be pro rata to their existing holdings of shares of the relevant class in the Company subject to the limitation that no member shall be under any obligation to purchase more than the maximum number of shares which he has notified himself as being willing to purchase. So soon as such allocation has been made and provided that such allocation comprises all the shares to which the transfer notice relates (but not otherwise), the vendor shall be bound on payment of the price, to transfer those shares to the purchaser or respective purchasers thereof, and if he shall make default in so doing the Directors shall receive and give good discharge for the purchase money on behalf of the vendor and shall authorise some person (who shall be deemed to be the attorney of the vendor for that purpose) to execute in favour of the purchaser or respective purchasers a transfer of the shares allocated to him or them and shall enter his or their names in the Register of the Shareholders of the Company as the holder or holders of those shares.
- (f) If, pursuant to the preceding provisions of this Article and after the expiration of the period of 28 days notice fixed by paragraph (v) above, members notified in accordance with paragraph (v) above shall have expressed a willingness to purchase part only of the shares comprised in the transfer notice, or no member shall have expressed a willingness to purchase part only of the shares comprised in the transfer notice, or no member shall have expressed a willingness to purchase any of those shares, or if the Vendor is the sole "A" or "B" Shareholder then the Directors shall give notice to all the holders of the "A" Shares (in the case of a transfer notice given in respect of "B" Shares) or the "B" Shares (in the case of a transfer notice given in respect of "A" Shares) (other than the vendor) of the number and price of the shares comprised in the transfer notice and shall invite each of them to state in writing within 28 days after the date of the notice whether he is willing to purchase any and, if so, what maximum number of said Shares;
- (g) If within the period mentioned in paragraph (f) above members to whom the notice therein mentioned was given have expressed their willingness to purchase all the shares comprised in the transfer notice, the Directors shall give the vendor written notice thereof and not sooner than five days thereafter shall proceed to allocate those shares among those members so far as may be pro rata to their existing holdings of shares of the relevant class in the Company subject to the limitation that no member shall be under

any obligation to purchase more than the maximum number of shares which he has notified himself as being willing to purchase. So soon as such allocation has been made and provided that such allocation comprises all the shares to which the transfer notice relates (but not otherwise), the vendor shall be bound on payment of the price to transfer those shares to the purchaser or respective purchasers thereof and if he shall make default in so doing the Directors shall receive and give good discharge for the purchase money on behalf of the vendor and shall authorise some person (who shall be deemed to be the attorney of the vendor for that purpose) to execute in favour of the purchaser or respective purchasers a transfer of the shares allocated to him or them and shall enter his or their names in the Register of the shareholders of the Company as the holder or holders of those shares;

- (h) (i) If any person (other than an existing shareholder) shall become entitled to any share by reason of the death or bankruptcy of any member, he shall forthwith give to the Company notice in writing to that effect and if that person shall fail to give such notice the directors may give the notice on his behalf;
- (ii) All the foregoing provisions of this Article in relation to a transfer notice and the procedure to be adopted following the service of such a notice (save for the provisions relating to withdrawal of transfer notices contained in sub-paragraph (iv) above) shall apply mutatis mutandis to a notice given pursuant to (i) above;
- (i) If any share to which any person has become entitled on the death of bankruptcy of any member shall not be sold pursuant to paragraph (h) above than after the expiration of the period during which such shares might have been purchased by another member or members pursuant thereto, such person shall, upon evidence being produced as may from time to time to be required by the Directors, have the right to elect either to be registered himself as the holder of the shares in question or to have some person nominated by him registered as the transferee thereof; in the case of death the Directors shall act in accordance with each election, but in the case of bankruptcy the Directors shall have the same right to refuse or suspend registration as they would have had in the case of a transfer of the shares in question by the bankruptcy member before his bankruptcy. Regulations 30 and 31 of Table A shall not apply;

GENERAL MEETING

9. No business shall be transacted at any General Meeting (including any adjournment thereof) unless a quorum of members is present at the time when the Meeting proceeds to business and throughout the Meeting. The quorum at a General Meeting shall be two Members, one being the "A" Shareholder and one being the "B" Shareholder present in person or in each case by proxy. If a quorum is not present within thirty minutes of the time fixed for the Meeting, the Meeting shall stand adjourned for fourteen days to the same place and time. At such adjourned Meeting the shareholders present shall constitute a quorum.

10. Unless all the members shall otherwise agree at least 28 days written notice of every General Meeting of the Company shall be given to the members, and no business, except that in respect of which due notice has been given, shall be transacted at the Meeting save with the written consent of the members.
11.
 - 11.1 At any General Meeting (including any adjournment thereof) the Chairman of such Meeting shall have a second or casting vote on an equality of votes whether on a show of hands or on a poll.
 - 11.2 On a show of hands, each member present in person or by proxy shall be entitled to vote.
12. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend, vote at a general meeting at which such resolution was to be proposed 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 several documents in the like form each signed by one or more of the members or their attorneys and signature in the case of a body corporate which is a member shall be sufficient if made by a Director thereof or by its duly authorised representative.
13. A poll may be demanded by the Chairman or by any member present in person or by proxy.

DIRECTORS

14. The Directors shall be not more than 4 in number and shall be appointed in accordance with the provisions of Article 16.
15. Except to the extent resulting from any relevant provisions of these Articles the "A" Directors and the "B" Directors shall be considered as one Board of Directors without any distinction.
16.
 - (1) The "A" Shareholder shall be entitled at any time and from time to time without notice to appoint any two persons to be Directors of the Company and to remove any Director appointed by the "A" Shareholder and to fill the office of any Director appointed as aforesaid by the "A" Shareholder who dies, resigns or otherwise ceases to be a Director.
 - (2) The "B" Shareholder shall be entitled at any time and from time to time without notice to appoint not more than two persons to be Directors of the Company and to remove any Director appointed by the "B" Shareholder and to fill the office of any Director appointed as aforesaid by the "B" Shareholder who dies, resigns or otherwise ceases to be a Director;
 - (3) Every appointment and removal of an "A" Director or a "B" Director under this Article shall be effected by a memorandum in writing signed by the "A" Shareholder or the "B" Shareholder as appropriate and left at or sent by registered post to the registered office of the Company with a copy to the other Shareholders.
17. A Director or Alternate Director need not be a member of the Company, but nevertheless shall be entitled to receive notice of and to attend and speak at any General Meeting of the Company.

18. No Director or Alternate Director shall be entitled to receive any fee or remuneration in respect of his office as director except as agreed between the "A" and "B" Shareholders.
19. Any Director who by request performs special services or goes or resides aboard for any purposes of the Company may receive such extra remuneration by way of salary, commission, percentage of profits or otherwise as the "A" Shareholders and "B" Shareholders may agree.
20. The Directors may exercise all the powers of the Company to borrow or raise money, to give guarantees and to mortgage or charge the Company's undertaking, property and uncalled capital or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as a security for any debt, liability or obligation of the Company or of any third party.
21. A Director who (or whose employer and that employer's holding and subsidiary companies and subsidiaries of any such holding company) 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. A general Notice to the Directors given by a Director to the effect that he is a member of or employed by a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article, provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given. Any Director shall be entitled to pass to his appointor full details of the business and affairs of the Company which may come into his possession as a Director or in the course of performing services for the Company.
- 22.1 The "A" Shareholder shall have power to appoint any person as an Alternate Director for each of the "A" Directors, and the "B" Shareholder shall have power to appoint any person as an Alternate Director for each of the "B" Director, and may in its discretion remove any such Alternate Director. Any appointment or removal of an Alternate Director shall be effected by notice in writing signed by the appointor and delivered to the registered office of the Company or tendered at a meeting of the Directors (with in any case an copy to the other Shareholder) and Alternate Director shall be entitled to receive notice of meeting of the Directors and of committees of the Directors to the same extent as the Director in whose place he is appointed and shall be entitled to attend and vote as a Director at any such meeting or committee at which the Director in whose place he is appointed is not personally present and generally at such meeting or committee to exercise and discharge all the functions, power and duties of his appointor as a Director and for the purpose of the proceedings at such meeting or committee the provisions of these Articles shall apply as if he were a Director;
- 22.2 Every Person acting as an Alternate Director shall (except as regards remuneration) be subject in all respects to the provisions of these Articles relating to the Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director for which he acts as an Alternate. 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.
- 22.3 Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as Alternate (in addition to his own vote if he

is also a Director). If the Director for whom he acts as an Alternate is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability or is otherwise unavailable, the signature of an Alternate Director to any resolution in writing of the Directors or a committee of the Directors shall be as effective as the signature of the Director for whom he acts as an Alternate.

- 22.4 An Alternate Director shall ipso facto cease to be an Alternate Director if the Director for whom he acts as an Alternate ceases for any reason to be a Director.
23. The office of a Director shall be vacated in any of the events following, that is to say:-
- 23.1 If he resigns his office by writing under his hand left at the Registered Office of the Company or tendered at a meeting of the Directors;
- 23.2 If he becomes of unsound mind or becomes bankrupt or compounds with his creditors;
- 23.3 If, without leave, he be absent, otherwise than on the business of the Company, from meeting of the Directors for six consecutive months and the Directors resolve that his office be vacated;
- 23.4 If he prohibited by law from being a director;
- 23.5 If he ceases to be a Director by virtue of the Act or be removed from office pursuant to these Articles; or
- 23.6 If he be removed from office pursuant to Articles 13 hereof.
24. Regulations 78 to 80 (inclusive) of Table A shall not apply.
25. No person shall be disqualified from being appointed or re-appointed a Director of the Company and No Director of the Company shall be required to retire from that office by reason only of the fact that he has attained the age of 70 years, nor need the age of any such person or Director or the fact that any such person or Director is over 70 be stated in any notice or resolution relating to his appointment or re-appointment, nor shall it be necessary to give special notice under Section 293 of the Act of any resolution appointing, re-appointing or approving the appointment of a Director.
26. A committee of Directors shall always consist of one "A" Director and one "B" Director (as chosen by the "A" Shareholder and the "B" Shareholder respectively) who or whose Alternates shall be present throughout any committee meeting.
27. A committee may meet and adjourn as it thinks fit. No decision of a committee shall be effective unless taken without any dissentient vote.

PROCEEDINGS OF DIRECTORS

28. 28.1 The quorum necessary for the transaction of the business of the Directors shall be, one "A" Director and one "B" Director or their Alternates.
- 28.2 The Chairman of the Board of Directors shall be nominated by the "B" Shareholder and shall be entitled to a second or casting vote on an equality of votes.

- 28.3 A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Unless all the Directors either before or at such meeting called upon short notice execute a waiver of such notice at least [twenty eight days] written notice of every meeting of the Directors shall be given to the Directors and their Alternates and no business, except that in respect of which due notice has been given, shall be transacted at that meeting save with the consent of the "A" Shareholder and "B" Shareholder.
- 28.4 Board Meetings shall be held at the Company's registered office unless the "A" Shareholder and the "B" Shareholder agree otherwise.
- 28.5 Subject to the prior agreement of the "A" Shareholder and the "B" Shareholder a meeting of the Directors shall be valid where although the Directors are not physically present together they are in instant communication by conference telephone or the like.
- 28.6 Immediately following each Board Meeting the Secretary shall prepare Board Minutes which shall be circulated to the Directors within twenty one days after the meeting. Any Directors who disagrees with the Board Minutes for record purposes shall notify the Secretary in writing (giving reasons) within twenty eight days after receipt and unless resolved such disagreement shall be dealt with as a first item at the next Board Meeting.

PENSIONS AND ALLOWANCES

29. The Directors may grant retirement pensions or annuities or other allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company as Managing Director, Manager or in any other executive office or employment in the Company or indirectly as an executive officer or employee of any subsidiary or associate company of the Company or of its holding company (if any) or of any predecessor in business of the Company notwithstanding that he may be or may have been a Director and may make payments towards insurances or trusts for such purposes in respect of any such persons and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

CAPITALISATION ISSUES

30. Any unissued shares paid up in full and allotted and distributed pursuant to Regulation 110 of Table A shall (a) in the case of shares to be allotted and distributed to the "A" Shareholder be "A" Shares and (b) in the case of shares to be allotted and distributed to the "B" Shareholder be "B" Shares.

NOTICES

31. Any notice to be given by the Company to any member Director or Alternate Director shall be given either personally or by sending it by post to him at his registered address (whether within or outside the United Kingdom). In the event of a member, Director or Alternate Director having a registered address outside the United Kingdom all notices shall be sent by cable (or telex if available) and confirmed by first-class airmail and shall be deemed served at the expiration of 72 hours after posting or in the case of cable or telex upon acknowledgement or receipt.

INDEMNITY

32. Every Director, Alternate Director, Managing Director or other executive officer and auditor of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court.