

2154840

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

POST OFFICE COUNTERS LTD

1. OTHER REGULATIONS EXCLUDED

- 1.01 No regulations for management of a company set out in any schedule to any statute or statutory instrument concerning companies shall apply to the Company, but the following shall be the Articles of Association of the Company.

2. INTERPRETATION

- 2.01 In these Articles the following expressions have the following meanings:

<u>Expression</u>	<u>Meaning</u>
"A" Directors and "B" Directors	the respective meanings ascribed by Article 9.03
Act	the Companies Act 1985.
Articles	these Articles of Association as altered from time to time.

Auditors	the auditors for the time being of the Company.
Board	the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum as specified in these Articles is present.
clear days	(in relation to the period of a notice) that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
Company	Post Office Counters Ltd
dividend	includes a distribution and a bonus, if not inconsistent with the subject or context.
executed	includes any mode of execution.
holder	(in relation to shares) the member whose name is entered in the register of members as the holder of the shares.
Instrument	an instrument signed and delivered as provided in Article 2.02.
month	calendar month.
Office	the registered office for the time being of the Company.

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paid up	paid up or credited as paid up in respect of the nominal amount of a share.
Register	the register of members of the Company.
Seal	the common seal of the Company.
Secretary	the secretary of the Company or any other person appointed to perform any of the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary.
Statutes	the Companies Act 1985 and any statutory modification or re-enactment thereof for the time being in force and every other Act for the time being in force concerning companies and affecting the Company.
United Kingdom	Great Britain and Northern Ireland.
writing	includes printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible form.
year	year from 1st January to 31st December inclusive.

2.02 Where, for the purposes of these Articles, any direction, appointment, approval or removal may be made, or any terms may be specified, by the Post Office, that direction, approval or removal shall be made, and those terms shall be specified, given or effected by an instrument signed by the Chairman or the Secretary for the time being of the Post Office and shall be effective when

received personally by the Secretary of the Company or when delivered to the Office (whichever shall first occur);.

2.03 Words importing:

- (a) the singular number only include the plural number and vice versa;
- (b) the masculine gender only include the feminine gender;
- (c) persons include partnerships, firms, trusts and corporations.

2.04 References to:

- (a) any section or provision of any Statute, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any amending, consolidating or replacement Statute;
- (b) an Article by number are to the particular Article of these Articles.

2.05 Subject as aforesaid, any word or expression defined in the Statutes (excluding any statutory modification thereof not in force when these Articles become binding on the Company) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

2.06 The headings are inserted for convenience only and shall not affect the construction of these Articles.

3. BUSINESS

Subject to the provisions of these Articles any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same.

4 REGISTERED OFFICE

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

5. SHARE CAPITAL

5.01 The share capital of the Company is £50,000 divided into 50,000 Shares of £1 each.

5.02 Subject to the provisions of the Statutes relating to authority and to any directions which may be given either pursuant to Article 13.02 or by the Company in General Meeting, shares in the original capital of the Company and any shares hereafter created shall be under the control of the Board, which may allot, grant options over or otherwise dispose of the same to such persons on such terms and at such times as the Board may think proper, provided that no shares shall be issued at a discount.

5.03 Without prejudice to any special rights attached to any existing shares, and subject to the provisions of the Statutes and of these Articles, any shares may be issued with such rights or restrictions as the Company may from time to time by Ordinary Resolution determine.

5.04 Except as otherwise expressly provided by these Articles or as required by law or as ordered by a Court of competent jurisdiction, no person shall be recognised by the Company as holding any share on any trust, and (except as aforesaid) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any share except an absolute right to the entirety thereof in the holder.

5.05 Upon becoming the holder of any shares every member shall be entitled, without payment, to receive within two months after allotment or lodgment of a transfer (unless the conditions of issue provide for a longer interval) one certificate under the Seal for all the shares of each class registered in his name, specifying the number, class, and distinguishing numbers (if any)

of the shares in respect of which it is issued and the amount or respective amounts paid up thereon.

5.06 Every certificate for shares or debentures or representing any other form of security of the Company shall, in accordance with Article 21, be issued under the Seal.

5.07 The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share.

5.08 In case of the death of a member his share shall forthwith be registered in the name of, or in the name of a nominee of, the Post Office.

5.09 The Company in General Meeting may from time to time:

(a) by Ordinary Resolution:

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

(ii) 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 share capital by the amount of the shares so cancelled;

(iii) subject to the provisions of the Statutes, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from such sub-division, any of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the others as the Company has power to attach to unissued or new shares;

(b) subject to the provisions of the Statutes, by Special Resolution reduce its share capital or any capital redemption reserve or share premium account in any manner.

5.10 The Company in General Meeting may from time to time by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such special rights (if any) or to be subject to such restrictions (if any) as are referred to in Article 5.03 as the General Meeting resolving on such increase may prescribe.

6. GENERAL MEETING

6.01 The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. Not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall determine. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

6.02 The Board may call an Extraordinary General Meeting whenever it thinks fit, 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 Act. The Board shall on requisition proceed to convene an Extraordinary General Meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient members of the Board to convene a General Meeting any Director, or any member of the Company, may call a General Meeting.

6.03 In the case of an Annual General Meeting or of a meeting convened for the purpose of passing a Special Resolution, 21 clear days' notice at the least, and in any other case 14 clear days' notice at the least, specifying the place, the day and the hour of meeting and, in the case of special business, the general nature

of such business shall be given in manner hereinafter mentioned to the Auditors, the Directors, all persons entitled to a share in consequence of the death or bankruptcy of a member, and to such persons as are under the provisions of these Articles entitled to receive notice of General Meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, or of such proportion thereof as is prescribed by section 369(3) of the Act, a meeting may be convened on a shorter notice, and in such manner as such persons may approve. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate any resolution passed or proceeding had at any such meeting. Every notice convening an Annual General Meeting of the Company shall describe the meeting as an Annual General Meeting.

7. PROCEEDINGS AT GENERAL MEETINGS

- 7.01 All business that is transacted at an Extraordinary General Meeting shall be deemed special and all business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of:
- (a) declaring a dividend;
 - (b) the consideration of the accounts and balance sheet and the reports of the Directors and the Auditors and any other documents required to be annexed to the balance sheet;
 - (c) the election of Directors;
 - (d) the fixing of any fees payable to the Directors;
 - (e) the re-appointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in General Meeting) and the fixing of the remuneration of the Auditors or the determining of the manner in which such remuneration is to be fixed; and

(f) the taking of authority by the Board to allot relevant securities pursuant to section 80 of the Act.

- 7.02 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be not less than 2 members entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation.
- 7.03 The Chairman (if any) of the Board shall preside at every General Meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the same the Directors present shall choose one of their number to act, or if there be only one Director present he shall be Chairman.
- 7.04 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any General Meeting.
- 7.05 The Chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or sine die) and from place to place as the meeting shall determine. Where a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the Board. Whenever a meeting is adjourned for 14 days or more or sine die, 7 clear days' notice at the least, specifying the place, the day, and the hour of the adjourned meeting and the general nature of the business to be transacted shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

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8. VOTES OF MEMBERS

- 8.01 Subject and without prejudice to any rights or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, at any General Meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by proxy or by a representative duly authorised under section 375 of the Act, not being himself a member entitled to vote, shall have one vote, and on a poll every member present in person, by representative or by proxy shall have one vote for every share of any class of which he is the holder.
- 8.02 On a poll votes may be given either personally or by proxy.
- 8.03 Any person (whether a member of the Company or not) may be appointed to act as a proxy.
- 8.04 Any corporation which is a member of the Company 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 at any meeting of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
- 8.05 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. A resolution in writing in accordance with this Article 8.05 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them shall be sufficient for the purposes of this Article.

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9. DIRECTORS

- 9.01 Unless otherwise determined by Ordinary Resolution the number of Directors shall not be less than 2 nor more than 20.
- 9.02 A Director shall not be required to hold any qualification shares.
- 9.03 Each Director shall be either an "A" Director or a "B" Director. A Director shall be an "A" Director if the Post Office shall so specify in the instrument of appointment or shall otherwise so direct and all other Directors shall be "B" Directors.

10. DIRECTORS' REMUNERATION

- 10.01 The Directors shall be entitled to receive by way of fees for their services in each year such sum (if any) as the Company in General Meeting shall from time to time determine, such sum (unless otherwise directed by the resolution by which it is voted) to be divided among the Directors in such proportions and in such manner as the Board may agree and failing agreement equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office.
- 10.02 The Directors shall also be entitled to be repaid all travelling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Board Meetings, Committee Meetings or General Meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise incurred while engaged on the business of the Company.
- 10.03 If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Board may pay him special remuneration, in addition to any fees or ordinary remuneration, and such special remuneration may be by a lump sum or by way of salary, commission,

participation in profits or otherwise as may be arranged, and shall be charged as part of the Company's ordinary working expenses.

11. APPOINTMENT AND REMOVAL OF DIRECTORS

11.01 Subject to Article 9.01, but without prejudice to the powers of the Company under section 303 of the Act to remove a Director by Ordinary Resolution, the Post Office shall have the power from time to time by Instrument to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed.

11.02 The office of a Director shall be vacated if:

- (a) a receiving order is made against him or he makes any arrangement or composition with his creditors generally; or
- (b) he ceases to be a Director by virtue of any provisions of the Statutes or thereunder or he becomes prohibited by law from being a Director; or
- (c) by notice in writing to the Company he resigns his office; or
- (d) he is removed from office under Article 11.01.

12. DIRECTOR CONTRACTING WITH THE COMPANY

12.01 A Director who is in any way directly or indirectly interested in a contract or other arrangement made or proposed to be made by the Company, or in a contract made or proposed to be made by a subsidiary of the Company which is brought up for consideration by the Company shall disclose the nature of his interest at a meeting of the Board; and the disclosure shall be recorded in the minutes of the meeting, and the Director shall not take any part in any deliberation or decision of the Board with respect to that contract or arrangement.

- 12.02 For the purposes of Article 12.01, a general notice given at a meeting of the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may, after the date of the notice, be made with the company or firm, shall be regarded as a sufficient disclosure of his interest in relation to any contract or arrangement so made or proposed to be so made.
- 12.03 A Director need not attend in person at a meeting of the Board in order to make a disclosure which he is required to make under this Article 12 if he takes reasonable steps to secure that the disclosure is made by a notice which is brought up and read at the meeting.
- 12.04 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (a) any proposal concerning the adoption, modification or operation of a superannuation fund or scheme or retirement, death or disability benefits schemes under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes;
 - (b) any contract or arrangement with the Post Office or any subsidiary of the Post Office (other than the Company or a subsidiary of the Company).
- 12.05 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed.

- 12.06 Subject to the provisions of the Statutes the Company may, by Ordinary Resolution, suspend or relax the provisions of this Article 12 to any extent, either generally or in respect of any particular matter, or ratify any transaction not duly authorised by reason of a contravention of this Article.
- 12.07 A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.
- 12.08 For the purpose of this Article 12 an interest of a person who is, for the purpose of the Statutes (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected within the meaning of section 346 of the Act with a Director shall be treated as an interest of the Director.

13. POWERS AND DUTIES OF DIRECTORS

- 13.01 Subject as provided in these Articles, the business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do, on behalf of the Company, all such acts as may be exercised and done by the Company and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to the provisions of the Statutes, the Memorandum of Association of the Company and of these Articles and to any directions given by Special Resolution or pursuant to Article 13.02, but no alteration of the Memorandum of Association of the Company or of these Articles nor any such direction shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or if such direction had not been given. The general powers given by this Article 13 shall not be limited or restricted by any special authority or power given to the Board by any other

Article and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

13.02 The Post Office may at any time and from time to time direct by Instrument the Company to do or (as the case may be) to refrain or desist from doing any specified things and the Board shall forthwith use every endeavour and procure the Company to use every endeavour to give effect thereto.

13.03 The Company, in such manner and at such times as the Post Office may specify by Instrument, shall furnish the Post Office with such information:

(a) as the Post Office may so specify, and

(b) as the Company has or can reasonably be expected to obtain

with respect to such matters relating to the Company and its subsidiaries (within the meaning of section 736 of the Act) for the time being or the activities (past, present or future), plans or properties of any such company as the Post Office may so specify.

14 DIRECTORS' BORROWING POWERS

14.01 The Board 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 to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

15. MANAGING DIRECTOR AND OTHER APPOINTMENTS

15.01 Subject to the provisions of the Statutes and subject to any direction which may be given by Instrument pursuant to Article 13.02, the Board may appoint any one or more of their number to the office of Managing Director and/or such other executive office

In the management of the business of the Company or place of profit under the Company, except that of the Auditors, as it may decide and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made for such period (subject to the provisions of section 319 of the Act) and on such terms as to remuneration and otherwise as the Board thinks fit, and the Board may revoke such appointment, agreement or arrangement but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company. The Board may vest in such Managing Director or such other executive officer such of the powers hereby vested in the Board as it may think fit, and such powers may be made exercisable for such period or periods, and on such conditions and subject to such restrictions, and generally on such terms as to remuneration and otherwise, as it may determine. The remuneration of a Managing Director or such other officer may be made payable by way of salary or commission or participation in profits, or by any or all of those modes, or otherwise as may be thought expedient and it may be made a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement. Nevertheless all of the foregoing powers shall be subject to the terms of any Instrument.

16. RETIREMENT OF DIRECTORS

- 16.01 No Director shall be required to retire by rotation.
- 16.02 The Board shall not have the power to appoint or remove Directors.

17. PROCEEDINGS OF DIRECTORS

- 17.01 A Director may and, on request of a Director, the Secretary shall, at any time call a meeting of the Board.
- 17.02 It shall not be necessary to give notice of a Board Meeting to any Director who is absent from the United Kingdom.

- 17.04 The Board may regulate its proceedings as it thinks fit.
- 17.04 Until otherwise determined by the members in general meeting, two Directors (one of whom shall be an "A" Director and present throughout the meeting and one of whom shall be a "B" Director present at the commencement of the meeting though not necessarily present through the meeting) shall be a quorum.
- 17.05 Questions arising at any meeting shall be decided by a majority of votes. Nevertheless if the Chairman or (if the Chairman shall not be present at the meeting) the most senior (by date of appointment as an "A" Director) of the "A" Directors so present shall state that he or she is voting against a particular resolution in his or her capacity as an "A" Director that resolution shall be deemed not to have been passed.
- 17.06 In case of an equality of votes the Chairman shall have a second or casting vote.
- 17.07 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors.
- 18 CHAIRMAN
- 18.01 Subject to any direction which may be given pursuant to Article 13.02 the Board may from time to time appoint an "A" Director to be Chairman of the Board.
- 18.02 The Chairman shall preside at meetings of the Board, but if no such Chairman be appointed, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for the meeting, the Directors present may choose one of their number (who shall be an "A" Director) to be Chairman of such meeting.

19. DELEGATION OF POWERS

- 19.01 Except as provided in Article 19.02 the Board may delegate such of the powers, authorities or discretions vested in it as the Board thinks fit.
- 19.02 The following powers of the Board may not be delegated except to a committee of the Board appointed under Article 19.03, namely issuing shares; determining Directors' remuneration; settling credit policies; borrowing; recommending and declaring dividends.
- 19.03 The Board may establish any committees for managing any of the affairs of the Company, may appoint any persons to be members of such committees and may fix their remuneration and any such appointment may be on such terms and subject to such conditions as the Board may think fit. The Board may remove any person so appointed and may annul or vary any such appointment, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.
- 19.04 Any committee so formed shall in the exercise of the power delegated to it conform to any regulations that may be imposed on it by the Board.
- 19.05 Any committee shall have power unless the Board directs otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being members of the Board or of the Company.
- 19.06 A committee may meet and adjourn as its members think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote.
- 19.07 The meetings and proceedings of a committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are relevant thereto and are not superseded by any regulations imposed by the Board under or by the provisions of Article 19.04.

- 19.08 A resolution in writing signed by all the members of a committee, shall be as effective for all purposes as a resolution passed at a meeting of that committee duly convened, held and constituted and may consist of several documents in like form each signed by one or more of those members.

20 MINUTES

- 20.01 The Board shall cause minutes to be made:

- (a) of all appointments of officers made by the Board;
- (b) of all proceedings at meetings of the Company of the holders of any class of shares in the Company, of the Board and of committees of the Board, including the names of the Directors present at each such meeting.

- 20.02 Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman of the meeting at which the proceedings were had or by the Chairman of the next succeeding meeting.

21. THE SEAL

- 21.01 The Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board shall determine who may sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by the Secretary or by some other person appointed by the Board for the purpose.

22. THE SECRETARY

- 22.01 Subject to the provisions of the Statutes the Secretary shall be appointed by the Board for such term, at such remuneration and on such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

22.02 Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board.

22.03 A provision of the Statutes or of 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.

23. DIVIDENDS

23.01 Subject to the provisions of the Statutes the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the members.

23.02 Subject to the provisions of the Statutes the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

24. RESERVES

24.01 The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other 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 Board may think fit, and so that it shall not be necessary to keep

any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

25 CAPITALISATION OF RESERVES

25.01 The Board may with the authority of an Ordinary Resolution:

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other, provided that the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid.

26. ACCOUNTS AND AUDIT

26.01 The Board shall cause accounting records to be kept in accordance with the Statutes.

26.02 The Board shall from time to time, in accordance with the Statutes, 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) and reports as are referred to in the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend.

- 26.03 The accounts of the Company shall be examined and audited by the Auditors in accordance with the Statutes.

27. INDEMNITY

- 27.01 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

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NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS

The Post Office
33 Grosvenor Place, LONDON SW1X 1PX

Morag Macdonald

Sir Ronald Dearing

GRO

Chairman of the Post Office

GRO

DATED this 24 July 1987

WITNESS to the above signatures:

GRO

H. J. Macdonald
Secretary

GRO

FILE COPY



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

No. 2154540

I hereby certify that

POST OFFICE COUNTERS LTD

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 13 AUGUST 1987

GRO
MRS E. CHADWICK

an authorised officer