

**Company No: 1373432**

**THE COMPANIES ACTS 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

**RESOLUTIONS IN WRITING**

**of**

**FLYBE GROUP LIMITED ( the "Company")**

**Passed the 5 day of March 2007**

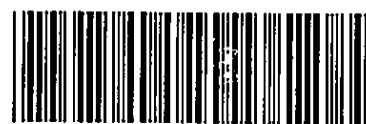
By written resolutions signed in accordance with section 381A of the Companies Act 1985 by or on behalf of all of the members of the Company who, at the date of such resolutions, were entitled to attend and vote at a general meeting of the Company, the following resolutions of the Company were duly passed:

**RESOLUTIONS**

**As ordinary resolutions**

- 1 That, with effect from the passing of this resolution, the authorised share capital of the Company is increased from £22,507,850 00 to £22,511,000.00 by the creation of 315,000 new ordinary shares of 1p each having the rights, privileges and restrictions set out in the Articles of Association of the Company as proposed to be adopted by the resolution numbered 4 below.
- 2 That, pursuant to the provisions of section 80 of the Companies Act 1985, the Directors are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities as defined by such section 80 provided that
  - 2 1 the maximum amount of such securities that may be allotted under this authority (within the meaning of such section 80) is £3,150 00;
  - 2 2 this authority shall, unless it is (prior to its expiry) duly revoked or varied or is renewed, expire on the fifth anniversary of this resolution save that the Company may, before such expiry, make an offer or agreement which will or may require relevant securities to be allotted after such expiry, and
  - 2 3 and the authority granted by this resolution is in substitution for any authority to allot relevant securities previously granted to the Directors which (to the extent that it remains in force and unexercised) is revoked.

THURSDAY

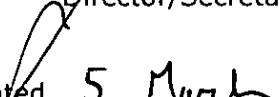


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### **As special resolutions**

- 3 That, pursuant to the provisions of section 95 of the Companies Act 1985, the Directors are empowered to allot equity securities (as defined in section 94 of that Act) pursuant to the general authority given to them for the purposes of Section 80 of that Act on the date of the passing of the resolution numbered 2 above as if section 89(1) of that Act did not apply to any such allotment and the Company may make an offer or agreement which will or may require equity securities to be allotted after the expiry of the power granted by this resolution.
- 4 That, with effect from the passing of this resolution, the regulations contained in the document attached to these resolutions and, for the purpose of identification, signed by the Chairman of the Board of Directors are approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

Signed   
Director/Secretary

Dated  5 March 2007

Company No. 1373432

THE COMPANIES ACTS 1985 AND 1989

PRIVATE

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FLYBE GROUP LIMITED







(Adopted by Special Resolution passed on

2007)

1 DEFINITIONS

1 1 In the interpretation of these Articles, unless the context otherwise requires

"Act"	means the Companies Act 1985 (as amended by the Companies Act 1989 and subsequent legislation in force at the date of adoption of these Articles),
"A Director"	means a director appointed, from time to time, by the holder of a majority in nominal value of the "A" Ordinary Shares,
"A Ordinary Share"	means an "A" Ordinary Share of 1p in the capital of the Company as hereinafter provided,
"A Ordinary Shareholder"	means a holder for the time being of "A" Ordinary Shares,
"Acquired Shares"	has the meaning set out in Article 9.2.4, 9.3.3.3 or 9.4.3.2 (as appropriate),
"Annual Business Plan and Budget"	has the meaning set out in the Shareholders' Agreement,
"Asset Sale"	means the sale or disposal of all or substantially all of the business or assets of the members of the Company's Group,
"Auditors"	means the Auditors of the Company from time to time,
"BA Shares"	any Shares that are and/or have been held by British Airways Plc or a member of

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	its Group,
<b>"Beneficial Owner"</b>	has the meaning set out in <b>Article 9.2.1</b> ,
<b>"Board"</b>	means the board of Directors of the Company,
<b>"Business Day"</b>	means a day (other than a Saturday or Sunday or a bank or public holiday in England),
<b>"Called Shareholders"</b>	has the meaning set out in <b>Article 16.1.1</b> ,
<b>"Called Shares"</b>	has the meaning set out in <b>Article 16.1.2</b> ,
<b>"the Company"</b>	means Flybe Group Limited,
<b>"Completion"</b>	has the meaning set out in <b>Article 16.1.2</b> ,
<b>"competitor of the Company"</b>	means (A) during the period of 36 months from the date of adoption of these Articles (" <b>First Restricted Period</b> "), any person determined by the Board, acting in good faith, to be carrying on, either alone or jointly with, through (including by ownership of any shares and/or direct or indirect control) or on behalf of (whether as director, partner, manager, employee, agent or otherwise) any person, directly or indirectly, either (i) a business similar to that carried on by the Company or any member of the Company's Group (as at the date of the adoption of these Articles), or (ii) a business whose principal purpose is the commercial operation of airports, aircraft, trains, cars, coaches, buses, boats, ships, ferries and/or any other transportation vehicles, or (iii) a business whose principal purpose is transporting passengers, freight or goods, and (B) following the end of the First Restricted Period, (i) any person who, determined by the Board acting reasonably and in good faith, carries on (whether as principal or agent) a business whose purpose is the commercial operation of aircraft, trains, coaches, buses or ferries, or (ii) GECAS or any member of the Macquarie Airports Group,
<b>"Connected Person"</b>	has the meaning set out in section 839 Income and Corporation Taxes Act 1988,
<b>"controlling interest"</b>	has the meaning set out in <b>Article 15.4.1</b> ,

<b>"Departing Beneficial Shareholder"</b>	has the meaning set out in <b>Article 17.1</b> ,
<b>"Departing Shareholder"</b>	has the meaning set out in <b>Article 12.1</b> ,
<b>"Director"</b>	means a director for the time being of the Company,
<b>"Drag Along Notice"</b>	has the meaning set out in <b>Article 16.1.2</b> ,
<b>"Drag Along Option"</b>	has the meaning set out in <b>Article 16 1.1</b> ,
<b>"Drag Shares"</b>	has the meaning set out in <b>Article 16.1.1</b> ,
<b>"Employees' Share Scheme"</b>	means an employees' share scheme as defined by Section 743 of the Act established for the benefit of some or all of the employees and former employees of the Company and its subsidiary undertakings,
<b>"Encumbrance"</b>	means any interest or equity of any person (including any right to acquire, option, right of pre-emption or right of conversion) or any mortgage, charge, pledge, lien or assignment or any other encumbrance, priority or security interest or arrangement of whatsoever nature over or in the relevant property,
<b>"Equity Shares" or "Equity Share Capital"</b>	means together the Ordinary Shares and the "A" Ordinary Shares, and <b>"Equity Shareholders"</b> shall be construed accordingly,
<b>"family trusts"</b>	has the meaning set out in <b>Article 9.3.3.2</b> ,
<b>"GECAS"</b>	means (i) General Electric Company and each of its Group Companies (each a <b>"GE Group Company"</b> ), (ii) GE Commercial Finance, GE Commercial Aviation Services and/or GE Capital Aviation Services, and/or (iii) any business or other unit of GE Commercial Finance, GE Commercial Aviation Services, GE Capital Aviation Services and/or any GE Group Company
<b>"Group"</b>	means, in relation to any company (i) that company, (ii) any company which is a subsidiary of that company, (iii) any holding company of that company, or (iv) any other subsidiary of any such holding company,

<b>"Institutional Investor"</b>	has the meaning set out in <b>Article 13.1.2</b> ,
<b>"Intended Transferee"</b>	has the meaning set out in <b>Article 10.2.1.3</b> ,
<b>"Interest in Ordinary Shares"</b>	has the meaning set out in <b>Article 12.1</b> ,
<b>"LIBOR"</b>	means the rate offered to Prime Banks in the London Inter-Bank Market for Sterling deposits of an equivalent amount for a period of one month,
<b>"Listing"</b>	means the admission by any recognised investment exchange of any part of the share capital of the Company, and such admission becoming effective,
<b>"Macquarie Airports Group"</b>	means (i) each of Macquarie Bank Limited, Macquarie Airports Group Limited, Macquarie Airports Limited, Macquarie Airports Management Limited, Macquarie Europe Limited, Macquarie Investment Management (UK) Limited, and each of their respective Group Companies (each a <b>"Macquarie Airports Group Company"</b> ), (ii) any funds, trusts, managed investment schemes, private equity investment funds or other entities managed and/or controlled by any Macquarie Airports Group Company (whether acting alone or together with any other Macquarie Airports Group Company), and/or (iii) any funds, trusts, managed investment schemes, private equity investment funds or other entities through which any Macquarie Airports Group Company acquires a controlling interest in any airport,
<b>"New Member"</b>	has the meaning set out in <b>Article 16.1.6</b> ,
<b>"Offer"</b>	has the meaning set out in <b>Article 10.3.2</b> ,
<b>"Offered Shareholders"</b>	has the meaning set out in <b>Article 10.3.2</b> ,
<b>"Offered Shares"</b>	has the meaning set out in <b>Article 10.2.1.1</b> ,
<b>"Ordinary Share"</b>	means an Ordinary Share of 1p in the capital of the Company as hereinafter provided,
<b>"Ordinary Shareholder"</b>	means a holder for the time being of Ordinary Shares,

<b>"Original Corporate Shareholder"</b>	has the meaning set out in <b>Article 9.4.1</b> ,
<b>"Original Shareholder"</b>	has the meaning set out in <b>Article 9.3.1</b> ,
<b>"Permitted Corporate Transferee"</b>	has the meaning set out in <b>Article 9.4.1</b> ,
<b>"persons acting in concert"</b>	shall have the same meaning as in the City Code on Takeovers and Mergers in force from time to time,
<b>"Plimsoll Transferee"</b>	has the meaning set out in <b>Article 12.1</b> ,
<b>"Preference Dividend"</b>	has the meaning set out in <b>Article 5.1.1.1</b> ,
<b>"Preference Dividend Payment Date"</b>	has the meaning set out in <b>Article 5.1.1.2</b> ,
<b>"Preference Shares"</b>	means Cumulative Redeemable Preference Shares of 1p in the capital of the Company as hereinafter provided,
<b>"Preference Shareholder"</b>	means a holder for the time being of Preference Shares,
<b>"Prescribed Price"</b>	means the value of shares as determined pursuant to <b>Article 11.7</b> ,
<b>"privileged relation"</b>	has the meaning set out in <b>Article 9.3.3.1</b> ,
<b>"Proposing Transferor"</b>	has the meaning set out in <b>Article 10.2</b> ,
<b>"Purchasers"</b>	has the meaning set out in <b>Article 10.4</b> ,
<b>"Qualifying Offer"</b>	has the meaning set out in <b>Article 15.1 1</b> ,
<b>"Qualifying Transferee"</b>	has the meaning set out in <b>Article 9.4.3.1</b> ,
<b>"recognised investment exchange"</b>	has the meaning given to the expression by section 285(1) Financial Services and Markets Act 2000,
<b>"Redemption Date"</b>	has the meaning set out in <b>Article 5.1.4.2</b> or <b>5.2.4.2</b> (as appropriate),
<b>"redemption monies"</b>	has the meaning set out in <b>Article 5.1.4.2</b> or <b>5.2.4.2</b> (as appropriate),
<b>"Relevant Transferee"</b>	has the meaning set out in <b>Article 9.2.2</b> ,
<b>"RP Shares"</b>	means Redeemable Preference Shares of 1p in the capital of the Company as hereinafter provided,
<b>"RP Shareholder"</b>	means a holder for the time being of RP

	Shares,
<b>"Sale"</b>	means the acquisition by any person (other than a person who is, or persons who are then, connected with Rosedale Aviation Holdings Limited, Company Number 042048115 and other than pursuant to <b>Articles 9.2 to 9.6</b> (inclusive)) together with any persons who in relation to him are Connected Persons or where such person is a trust, the beneficiaries of such trust or the Connected Persons of the beneficiaries of such trust or persons acting in concert with him, of all of the Equity Shares whether or not as part of a single transaction, and whether or not the agreement or agreements in question are unconditional in any respect or have become unconditional in all respects, and references to the "date of Sale" shall be construed accordingly,
<b>"Sale Redemption Date"</b>	has the meaning set out in <b>Article 5.1.4.1(a)</b> or <b>5.2.4.1(a)</b> (as appropriate),
<b>"Sale Terms"</b>	has the meaning set out in <b>Article 10.3.2</b> ,
<b>"Selling Shareholders"</b>	has the meaning set out in <b>Article 16.1.1</b> ,
<b>"Shareholder"</b>	means a holder for the time being of any Shares,
<b>"Shareholders' Agreement"</b>	means the agreement relating to the Company entered into on or about the date of adoption of these Articles,
<b>"Shares"</b>	means any shares for the time being in the capital of the Company,
<b>"Specified Price"</b>	has the meaning set out in <b>Article 15.4.3</b> ,
<b>"Specified Shares"</b>	has the meaning set out in <b>Article 15.1</b> ,
<b>"Subsequent Redemption Date"</b>	has the meaning set out in <b>Article 5.1 4.1(c)</b> or <b>5.2.4.1(c)</b> (as appropriate),
<b>"Table A"</b>	Table A in the Schedule to the Companies (Table A to F) Regulations 1985 in force at the date of adoption of these Articles as amended by the Companies (Table A to F) Amendment Regulations 1985,
<b>"Third Party Purchaser"</b>	has the meaning set out in <b>Article 16 1.1</b> ,



<b>"Transfer Changing Control"</b>	has the meaning set out in <b>Article 15.1</b> ,
<b>"Transfer Notice"</b>	has the meaning set out in <b>Article 10.2</b> ,
<b>"Transfer Notice Date"</b>	has the meaning set out in <b>Article 11.7</b> , and
<b>"Transfer Terms"</b>	means that the relevant Shares being transferred, sold or disposed of shall be transferred, sold or disposed of free from any Encumbrance with full title guarantee together with all rights attaching thereto or at any time thereafter

1 2 Headings are used in these Articles for convenience only and shall not affect their construction or interpretation

1 3 In these Articles, unless the context does not so admit and subject as expressly provided herein

1 3 1 a reference to a "subsidiary" or "holding company" shall be construed in accordance with sections 736 and 736A of the Act,

1 3 2 a reference to an individual shall include his personal representatives, successors and assigns,

1 3 3 references to any provision in the Act shall be treated (where and when applicable) as being a reference to the corresponding provision (or the provision that most nearly corresponds to it) in the Companies Act 2006 or in any subordinate legislation made under the Companies Act 2006,

1 3 4 a reference to a person includes a reference to a body corporate, association, partnership and/or individuals (in each case, whether or not incorporated and whether or not with a separate legal personality),

1 3 5 a reference to the plural shall include the singular and vice versa, and a reference to the masculine includes a reference to the feminine and neuter and vice versa,

1 3 6 words and expressions defined in the Act or the Shareholders' Agreement shall have the same meanings herein,

1 3 7 any phrase introduced by the term "include", "including", "in particular", or any similar expression will be construed as illustrating and will not limit the sense of the words preceding that term,

1 3 8 in relation only to undertakings other than undertakings with share capital, references to shares shall have the meaning given by section 259(2) of the Act, and

1 3 9 without prejudice to the provisions of section 738 of the Act, the expressions "paid-up" or "paid-up value" as used in relation to any

part of the share capital of the Company shall mean the total amount paid up, or credited as paid up, on the relevant shares including any premium paid up, or credited as paid up, thereon

## 2 **TABLE A**

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The first sentence of Regulation 24 and Regulations 35, 64, 73-77 inclusive, 80, paragraph (c) of Regulation 81, 87, 89, 94 and 95, the final sentence of Regulation 112 and Regulations 115 and 118 of Table A shall not apply but subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company

## 3 **PRIVATE COMPANY**

The Company is a private company and accordingly any invitation to the public to subscribe for any share or debentures of the Company is prohibited

## 4 **SHARE CAPITAL**

The authorised share capital of the Company at the date of adoption of these Articles is £22,511,000 divided into 1,445,850 "A" Ordinary Shares, 654,150 Ordinary Shares, 99,000,000 Preference Shares and 2,150,000,000 RP Shares all of which are at the date of adoption of these Articles in issue

## 5 **RIGHTS OF THE PREFERENCE SHARES AND RP SHARES**

5 1 The rights attaching to the Preference Shares are as follows

### 5 1 1 As regards income

5 1 1 1 The Preference Shares will confer on the holders thereof the right to receive, in priority to the transfer of any sum to reserves or any rights of the holders of any other class of shares in the capital of the Company and payable without any resolution of the Directors or of the Company, a fixed cumulative preferential dividend ("**Preference Dividend**") at the rate of 0.1% (one-tenth of one per cent) per annum (net of any associated tax credit) on the total amount for the time being paid up thereon in respect of each financial year of the Company commencing on or after the date of adoption of these Articles save that, in the circumstances set out in **Article 5.1.4.5**, the rate shall be LIBOR plus 1% (one per cent) per annum (net of any associated tax credit) on the total amount for the time being paid up thereon

5 1 1 2 The Preference Dividend shall accrue from day to day and be paid yearly on 1<sup>st</sup> June in each year (each a "**Preference Dividend Payment Date**") the first payment of which shall be in respect of the year ending on 31<sup>st</sup> March 1997 out of the profits of the Company available for distribution. Any amount not so paid shall carry interest on a daily basis at LIBOR plus 1% (one per cent) per annum from the due date for payment to the actual date of payment and shall be carried forward (as to both principal and interest) and be payable in priority to the Preference Dividend payable on any later date

5 1 2 As regards capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the shareholders shall be applied, after payment of all amounts due to the RP Shareholders but otherwise in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying to the Preference Shareholders

5 1 2 1 first, the total amounts paid up on the Preference Shares held by them, and

5 1 2 2 secondly, a sum equal to any arrears of the Preference Dividend (including interest payable thereon) to be calculated down to the date of return of capital and to be payable irrespective of whether or not such dividend has been declared or earned

5 1 3 Further participation

The Preference Shares shall not confer any further right of participation in the profits or assets of the Company

5 1 4 As regards redemption

5 1 4 1 Subject to the provisions of the Act and **Article 5 2.4**

- (a) the Company shall redeem, for cash at par, the total amount paid up on each Preference Share on the last Business Day immediately prior to the date of a Sale or Listing (the "**Sale Redemption Date**")
- (b) If on the Sale Redemption Date the Company is unable to redeem all the RP Shares pursuant to **Article 5.2.4** and all the Preference Shares in full then the Company shall

FIRST redeem on the Sale Redemption Date all the RP Shares pursuant to **Article 5.2.4** or so many of them as can be redeemed on that date (and if there is more than one RP Shareholder at that date pro rata to the relative holdings of RP Shares of each of them or as near thereto as circumstances admit, as to which the decision of the board of directors shall be final), and

ONLY THEN so many of the Preference Shares as can be redeemed on that date (and if there is more than one Preference Shareholder at that date pro rata to the relative holdings of Preference Shares of each of them or as near thereto as circumstances admit, as to which the decision of the board of directors shall be final)

- (c) If no Sale or Listing has occurred prior to 31 July 2007, or if on the Sale Redemption Date some one or more of the RP Shares or the Preference Shares cannot be redeemed, then 31 July 2007 and, for so long as any RP Shares or Preference Shares remain to be redeemed, the last Business Day of each January and July thereafter shall become a

**"Subsequent Redemption Date"** for the purpose of this **Article 5.1.4.1(c)**

- (d) By not later than 15 Business Days prior to any Subsequent Redemption Date the Company shall deliver to each Preference Shareholder a copy of the Company's latest full or half year accounts (as applicable), drawn up in accordance with the Act, showing, inter alia, the amount of any distributable profits of the Company
- (e) By not later than 5 Business Days prior to any Subsequent Redemption Date each Preference Shareholder shall be entitled to deliver to the Company a notice in writing electing to have some or all of his Preference Shares (respectively) redeemed
- (f) If, on any Subsequent Redemption Date, the Company is unable to redeem all the RP Shares pursuant to **Article 5.2.4** and all the Preference Shares elected to be redeemed on that Subsequent Redemption Date in accordance with **Article 5.1.4.1(e)** in full then the Company shall

FIRST redeem on the Subsequent Redemption Date all the RP Shares elected to be redeemed pursuant to **Article 5.2.4.1(e)** or so many of them as can be redeemed on that date (and if there is more than one RP Shareholder at that date pro rata to the relative holdings of RP Shares of each of them which have been elected to be redeemed or as near thereto as circumstances admit, as to which the decision of the board of directors shall be final), and

ONLY THEN so many of the Preference Shares elected to be redeemed as can be redeemed on that date (and if there is more than one Preference Shareholder at that date pro rata to the relative holdings of Preference Shares of each of them which have been elected to be redeemed or as near thereto as circumstances admit, as to which the decision of the board of directors shall be final)

5 1 4 2 Upon the Sale Redemption Date or any Subsequent Redemption Date (each a **"Redemption Date"**) the paid-up value of each Preference Share to be redeemed plus any Preference Dividend due thereon (whether declared or earned or not and together with any accrued interest) (the **"redemption monies"**) shall become a debt due and payable by the Company to the relevant Preference Shareholder and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the redemption monies to the appropriate Preference Shareholder

5 1 4 3 On redemption, the Company shall cancel the share certificate of the Preference Shareholder concerned and issue a new share certificate for the balance (if any) of such Preference Shares unredeemed

5 1 4 4 As from the relevant Redemption Date, the Preference Dividend shall cease to accrue on any Preference Shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the redemption monies in which case the Preference Dividend shall be deemed to have continued and shall continue to accrue from the relevant Redemption Date to the date of payment at the rate specified in **Article 5.1.4.5** below

5 1 4 5 In the event that the Company shall have failed to make payment of the redemption monies in respect of the Preference Shares on the relevant Redemption Date, the Preference Dividend shall be payable at the rate of LIBOR plus 1% (one per cent) per annum (net of any associated tax credit) on the amount for the time being paid up on each Preference Share and in respect of the periods commencing on the relevant Redemption Date and ending on the date of payment

5 1 5 As regards voting

Preference Shareholders shall be entitled to receive notice of and to attend any general meeting of the Company but shall have no right to speak or vote at any general meeting of the Company

5 1 6 Early Redemption by the Company

The Company may with the written consent of the "A" Ordinary Shareholders, at any time, redeem the whole of the Preference Shares then in issue by serving notice of such redemption upon the Preference Shareholders specifying a date upon which redemption is to take place being not less than 14 days nor more than 30 days from the date of such notice. The provisions of **Articles 5.1.4.2 to 5.1.4.5** inclusive shall have effect mutatis mutandis to such redemption save that the Redemption Date shall be that specified in the said notice

5 2 The rights attaching to the RP Shares are as follows

5 2 1 As regards income

The RP Shares will confer no right to dividends or other income

5 2 2 As regards capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying to the RP Shareholders the total amounts paid up on the RP Shares held by them

5 2 3 Further participation

The RP Shares shall not confer any further right of participation in the profits or assets of the Company, save as provided in this **Article 5.2**

5 2 4 As regards redemption

5 2 4 1 Subject to the provisions of the Act

- (a) the Company shall redeem, for cash at par, the total amount paid up on each RP Share on the last Business Day immediately prior to the date of a Sale or Listing (the "**Sale Redemption Date**")
- (b) If on the Sale Redemption Date the Company is unable to redeem all the RP Shares in full then the Company shall redeem on the Sale Redemption Date as many of the RP Shares as can be redeemed on that date (and if there is more than one RP Shareholder at that date pro rata to the relative holdings of RP Shares of each of them or as near thereto as circumstances admit, as to which the decision of the board of directors shall be final)
- (c) If no Sale or Listing has occurred prior to 31 July 2007, or if on the Sale Redemption Date some one or more of the RP Shares cannot be redeemed, then 31 July 2007 and for so long as any RP Shares remain to be redeemed, the last Business Day of each January and July thereafter shall become a "**Subsequent Redemption Date**" for the purpose of this **Article 5.2.4**
- (d) By not later than 15 Business Days prior to any Subsequent Redemption Date the Company shall deliver to each RP Shareholder a copy of the Company's latest full or half year accounts (as applicable), drawn up in accordance with the Act, showing, inter alia, the amount of any distributable profits of the Company
- (e) By not later than 5 Business Days prior to any Subsequent Redemption Date each RP Shareholder shall be entitled to deliver to the Company a notice in writing electing to have some or all of his RP Shares redeemed
- (f) If, on any Subsequent Redemption Date, the Company is unable to redeem all the RP Shares elected to be redeemed on that Subsequent Redemption Date in accordance with **Article 5.2.4.1(e)** in full then the Company shall redeem on the Subsequent Redemption Date so many of the RP Shares elected to be redeemed as can be redeemed on that date (and if there is more than one RP Shareholder at that date pro rata to the relative holdings of RP Shares of each of them which have been elected to be redeemed or as near thereto as circumstances admit, as to which the decision of the board of directors shall be final)

5 2 4 2 Upon the Sale Redemption Date or any Subsequent Redemption Date (each a "**Redemption Date**") the paid-up value of each RP Share to be redeemed (whether declared or earned or not and together with any accrued interest) (the "**redemption monies**") shall become a debt due and payable by the Company to the relevant RP Shareholder and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the

Company shall forthwith upon the Redemption Date pay the redemption monies to the appropriate RP Shareholder

5 2 4 3 On redemption, the Company shall cancel the share certificate of the RP Shareholder concerned and issue a new share certificate for the balance (if any) of such RP Shares unredeemed

5 2 4 4 In the event that the Company shall have failed to make payment of the redemption monies in respect of the RP Shares on the relevant Redemption Date, the amount of the redemption monies shall carry interest at the rate of LIBOR plus 1% (one per cent) per annum (as well after as before judgement) from the Redemption Date until the date the RP Shares are actually redeemed

5 2 5 As regards voting

RP Shareholders shall be entitled to receive notice of and to attend any general meeting of the Company but shall have no right to speak or vote at any general meeting of the Company

5 2 6 Early Redemption by the Company

The Company may with the written consent of the "A" Ordinary Shareholders, at any time, redeem the whole of the RP Shares then in issue by serving notice of such redemption upon the RP Shareholders specifying a date upon which redemption is to take place being not less than 14 days nor more than 30 days from the date of such notice. The provisions of **Articles 5.2.4.2 to 5.2.4.4** inclusive shall have effect mutatis mutandis to such redemption save that the Redemption Date shall be that specified in the said notice

5 3 Matters requiring consent of the holders of the Preference Shares, RP Shares, Ordinary Shares and "A" Ordinary Shares

Subject to **Article 18.1**, so long as any Preference Shares, RP Shares, Ordinary Shares or "A" Ordinary Shares shall remain in issue, and except with such consent or sanction of the holders of not less than 75 per cent in nominal value of the Preference Shares, the RP Shares, the Ordinary Shares and the "A" Ordinary Shares for the time being in issue, the Company shall not

5 3 1 pass any resolution reducing the number of the Ordinary Shares or "A" Ordinary Shares or (save for the purpose of redeeming any of the Preference Shares or the RP Shares) the amount (if any) for the time being standing to the credit of its share premium account in any manner or reduce any uncalled liability in respect of partly paid shares,

5 3 2 make any distribution, payment or return to Shareholders (other than in respect of the Preference Shares or the RP Shares) of a capital nature,

5 3 3 permit any subsidiary undertakings to issue (other than to the Company or another wholly-owned subsidiary undertaking of the Company) any shares ranking as regards participation in the assets or profits of that subsidiary undertaking in priority to its ordinary share capital nor shall any disposal be made by the Company or by any subsidiary undertakings of the Company of any such shares (otherwise than as aforesaid),

- 5 3 4 modify or vary the rights attaching to the "A" Ordinary Shares or the terms of either the Preference Shares or the RP Shares,
- 5 3 5 create or grant any option or other right to subscribe for or to convert into or issue any further shares or securities ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the RP Shares, the Preference Shares, the Ordinary Shares or the "A" Ordinary Shares, or
- 5 3 6 capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve Ordinary Shares and "A" Ordinary Shares

#### 5 4 Matters requiring the consent of the holders of "A" Ordinary Shares

Subject to **Article 18.1**, so long as any Ordinary Shares or "A" Ordinary Shares shall remain in issue, and except until such consent or sanction of the holders of not less than 75 per cent in nominal value of the "A" Ordinary Shares for the time being in issue, the Company shall not modify or vary the rights attaching to the Ordinary Shares

#### 5 5 "A" Ordinary Shares and Ordinary Shares

- 5 5 1 Save as may otherwise be specifically provided in these Articles, the Ordinary Shares and the "A" Ordinary Shares shall rank pari passu but shall constitute two separate classes of Shares
- 5 5 2 Subject to any special or additional rights attached to any class of Shares the profits of the Company available for distribution and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares and the "A" Ordinary Shares pro rata to the numbers of such Shares held by each of them respectively Regulation 104 of Table A shall be modified accordingly

### 6 **RETURN ON CAPITAL**

- 6 1 On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the Shareholders shall be applied (subject to payment to the Preference Shareholders and the RP Shareholders of the amounts referred to in **Article 5**)
  - 6 1 1 in paying to the holders of Equity Share Capital the nominal amounts paid up on the Equity Shares held by them (and if such assets are insufficient to make such payments in full they shall be distributed pro rata amongst the Equity Shareholders in proportion to the paid-up nominal amount of their respective holdings of such Equity Shares at the date of return of capital), and
  - 6 1 2 any surplus of assets available for distribution amongst Equity Shareholders following application thereof in accordance with **Article 5** and **Article 6.1.1** shall be distributed amongst the holders of Equity Share Capital in proportion as nearly as may be to the paid-up nominal amount of their respective holdings of Equity Shares at the date of return of capital



## **7 ISSUE AND REDEMPTION OF SHARES**

7 1 Subject to these Articles, the pre-emption provisions of sub-section (1) of section 89 and sub-sections (1) to (6) of section 90 of the Act shall apply to any allotment of the Company's equity securities (which for the purposes of this **Article 7** shall include the Preference Shares and the RP Shares) provided that

7 1 1 for the purposes of those sub-sections the Shares shall be treated as one class,

7 1 2 the period specified in section 90(6) of the Act shall be 14 days, and

7 1 3 the holders of equity securities who accept Shares shall be entitled to indicate that they would accept Shares that have not been accepted by other holders of equity securities ("**Excess Shares**") on the same terms as originally offered to all holders of equity securities and any Shares not so accepted shall be allotted to the holders of equity securities who have indicated they would accept Excess Shares. Such Excess Shares shall be allotted in the numbers in which holders of equity securities have indicated that they will accept Excess Shares or, if the number of Excess Shares is not sufficient for all holders of equity securities to be allotted all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each holder of equity securities indicated he would accept bears to the total number of Excess Shares applied for

7 2 Subject to the provisions of the Act and these Articles, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise

## **8 VOTES**

Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the voting rights of the Shareholders of the Company save that in relation to any resolution pursuant to section 303 of the Act for the removal of any of the "A" Directors the "A" Ordinary Shares shall in aggregate carry three times the votes carried by all other shares in the Company in aggregate apportioned pro rata among such "A" Ordinary Shares

## **9 PERMITTED TRANSFERS**

### **9 1 With Consent**

Any Shares (and/or any interest therein) may be transferred at any time to any person with the consent in writing of the holders of 75% (seventy-five per cent) of the issued Equity Share Capital for the time being

### **9 2 To Nominees**

9 2 1 Without prejudice to regulation 5 of Table A, any Shareholder may transfer any or all of the Shares held by him to a person shown to the reasonable

satisfaction of the "A" Directors to be a nominee of or a bare trustee for that Shareholder (the "**Beneficial Owner**") only

9 2 2 Where Shares have been transferred to a nominee or trustee pursuant to **Article 9.2.1** (a "**Relevant Transferee**") any such Relevant Transferee may transfer any Acquired Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the "A" Directors to be a nominee of or a bare trustee for the Beneficial Owner only

9 2 3 The provisions of **Articles 10, 11, 12 and 14** shall apply as if any Acquired Shares held by a Relevant Transferee were held by the Beneficial Owner

9 2 4 For the purposes of this **Article 9.2 "Acquired Shares"** means any Shares transferred pursuant to **Article 9.2.1** and any Shares subsequently acquired by virtue of the holding of any such Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise)

9 2 5 Where a Relevant Transferee ceases to hold any Acquired Shares as nominee or bare trustee for the Beneficial Owner only he shall promptly transfer such Acquired Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the "A" Directors to be a nominee of or a bare trustee for the Beneficial Owner only (having first procured that such transferee has executed and delivered to the Company and each Shareholder an appropriate deed of adherence if so required by the Shareholders' Agreement) and, in default of so doing, shall be bound or required to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the "A" Directors) so resolve

### 9 3 To Relations and Trustees

9 3 1 Without prejudice to regulation 5 of Table A, any individual Ordinary Shareholder (the "**Original Shareholder**") may transfer any or all of the Ordinary Shares held by him to a person or persons shown to the reasonable satisfaction of the "A" Directors to be

9 3 1 1 a privileged relation, or

9 3 1 2 trustees to be held upon family trusts in relation to the Original Shareholder

9 3 2 Where Shares have been transferred under **Article 9.3.1** to a privileged relation or trustees of family trusts the privileged relation or the trustees as the case may be may transfer any Acquired Shares to a person or persons shown to the reasonable satisfaction of the "A" Directors to be

9 3 2 1 the trustees for the time being of any trusts being family trusts in relation to the Original Shareholder (whether on a change of trustee or otherwise), and/or

9 3 2 2 the Original Shareholder or any privileged relation of the Original Shareholder

9 3 3 For the purpose of this **Article 9.3**

- 9 3 3 1 **"privileged relation"** means the spouse of the Original Shareholder and all lineal descendants and ascendants in direct line and brothers and sisters of the Original Shareholder (including, where appropriate, any step, adopted or illegitimate children) and the spouse of any of the above persons),
- 9 3 3 2 **"family trusts"** means trusts the only persons being (or capable of being) beneficiaries of which are the Original Shareholder and/or his privileged relations, and
- 9 3 3 3 **"Acquired Shares"** means any Shares transferred pursuant to **Article 9.3.1** and any Shares subsequently acquired by virtue of the holding of any such Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise)
- 9 3 4 The provisions of **Articles 10, 11, 12 and 14** shall apply as if any Acquired Shares held by a permitted transferee (as described in **Articles 9.3.1 and 9.3.2**) were held by the Original Shareholder
- 9 3 5 Where Shares have been transferred under this **Article 9.3** to trustees of a family trust and any such Shareholder ceases to hold any Acquired Shares as trustee of a family trust he shall promptly transfer such Acquired Shares to a permitted transferee as described in **Articles 9.3.1 and 9.3.2** (having first procured that such transferee has executed and delivered to the Company and each Shareholder an appropriate deed of adherence if so required by the Shareholders' Agreement) and, in default of so doing, shall be bound or required to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the "A" Directors) so resolve
- 9 4 Share Transfers Within Groups
- 9 4 1 Any Shareholder which is a company (an **"Original Corporate Shareholder"**) may transfer all (and not part only) of the Shares held by it to any member of its Group or to a Qualifying Transferee (in each case, a **"Permitted Corporate Transferee"**), provided such transfer is made in accordance with the following conditions
- 9 4 1 1 the Permitted Corporate Transferee shall first have executed and delivered to the Company and each Shareholder an appropriate deed of adherence if so required by the Shareholders' Agreement, and
- 9 4 1 2 if any such Permitted Corporate Transferee ceases, or if it is proposed that such Permitted Corporate Transferee will cease, to be a member of the Original Corporate Shareholder's Group or a Qualifying Transferee, it shall immediately give notice to the Company of such cessation or proposed cessation (as the case may be) and shall forthwith transfer all of the Shares held by it back to the Original Corporate Shareholder or another continuing member of the Original Corporate Shareholder's Group or another Qualifying Transferee
- 9 4 2 Where Shares have been transferred to a Permitted Corporate Transferee under **Article 9.4.1**, that Permitted Corporate Transferee may transfer any

Acquired Shares to any other Permitted Corporate Transferee, in accordance with the conditions set out in **Articles 9.4.1.1 and 9.4.1.2**

9 4 3 For the purpose of this **Article 9.4**

9 4 3 1 if the Original Corporate Shareholder has trustee shareholders as its ultimate controlling shareholders then a **"Qualifying Transferee"** means those ultimate controlling trustee shareholders, and

9 4 3 2 **"Acquired Shares"** means all of the Shares transferred pursuant to **Article 9.4.1** and any Shares subsequently acquired by virtue of the holding of any such Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise)

9 5 Transfers Changing Control

9 5 1 A transfer of Equity Shares which, if made and registered, would result in a Transfer Changing Control is permitted provided

9 5 1 1 the proposed transferee complies with its obligations under **Article 15** to make a Qualifying Offer (unless duly released from any such obligation under **Article 15**), and

9 5 1 2 either the written consent of the holders of the "A" Ordinary Shares is obtained or (where duly authorised under **Article 9.7, 9.8 or 9.9** as appropriate) the transfer is made in accordance with **Article 10**

9 5 2 A transfer of Equity Shares which is made pursuant to a Qualifying Offer required to be made under **Article 15** is permitted subject to compliance with the terms of **Article 15**

9 6 Trustees of an Employees' Share Scheme

Notwithstanding any other provision of these Articles, any Ordinary Shares (or interest therein) may be transferred to or by the trustee or trustees for the time being of an Employees' Share Scheme

9 7 Ordinary Shares

Any Ordinary Shares may be transferred in accordance with **Article 10**

9 8 "A" Ordinary Shares

Any "A" Ordinary Shares may be transferred in accordance with **Article 10**

9 9 "A" Ordinary Shares, RP Shares and Preference Shares

Any "A" Ordinary Shares, RP Shares or Preference Shares may be transferred pursuant to **Article 13**

10 **TRANSFERS OF EQUITY SHARES**

10 1 The following provisions of this **Article 10** shall only apply to

10 1 1 the transfer of Equity Shares where authorised under **Articles 9.7** and/or **9.8**, and

10 1 2 the transfer of any Shares in respect of which a Transfer Notice is deemed to be given pursuant to **Articles 11.4, 12.1** or **17.1**

10 2 Transfer Notice

Before transferring any Shares under this **Article 10**, the person proposing to transfer the Shares (the "**Proposing Transferor**") shall give a notice in writing (a "**Transfer Notice**") to the Company that he wishes to transfer Shares. The Transfer Notice shall be irrevocable and shall constitute the Company his agent for the sale of the Shares therein mentioned in accordance with this **Article 10**

10 2 1 The Transfer Notice shall specify

10 2 1 1 the number and class of Shares desired to be transferred or disposed of ("**Offered Shares**"),

10 2 1 2 whether or not the Proposing Transferor is willing to transfer part only of the Offered Shares,

10 2 1 3 details (to include, without limitation, the name and address or registered office) of any intended transferee (the "**Intended Transferee**"), and

10 2 1 4 the price per Share and any other material terms on which the Proposing Transferor proposes to sell the Offered Shares

10 3 Offer for Sale

10 3 1 Within 10 Business Days of receiving a Transfer Notice the Company will make an offer to Equity Shareholders in accordance with **Article 10 3 2** in relation to the Offered Shares

10 3 2 Pursuant to the offer (the "**Offer**") under this **Article 10.3.2** all Offered Shares shall be offered by the Company by notice in writing to all the Equity Shareholders (other than the Equity Shareholder to whose Shares the Transfer Notice relates or who has given or is deemed to have given a current Transfer Notice in respect of all his Shares or who is bound or required under these Articles to give a Transfer Notice in respect of his Shares or any of them) ("**Offered Shareholders**") for purchase at the price and on the terms specified in the Transfer Notice (the "**Sale Terms**") (or at such other price or on such other terms as the Proposing Transferor and the Offered Shareholders may agree). In the case of competition the Offered Shares shall be sold to the Offered Shareholders in proportion (as nearly as may be without involving fractions or increasing the number sold to any Offered Shareholder beyond that applied for by him) to their existing holdings of Equity Shares. Any offer made under this **Article 10.3.2** shall specify a time (not being less than 21 days nor more than 28 days after the date of the Offer) within which it must be accepted or in default will lapse. Any Offered Shares not accepted by such persons shall be offered first to the holder of a majority in nominal value of the "A" Ordinary Shares at the relevant time, and then to the Offered Shareholders who have

already accepted their due proportion of Offered Shares, on the same terms mutatis mutandis

#### 10 4 Purchasers

If the Company shall within the said time limits find Offered Shareholders ("**Purchasers**") in accordance with the provisions of this **Article 10** willing to purchase the Offered Shares concerned or any of them and gives notice in writing thereof to the Proposing Transferor within two weeks of the expiry of all relevant time limits the Proposing Transferor shall be bound, upon payment of the relevant purchase money, to sell and transfer such Offered Shares to the respective Purchasers on the Sale Terms. Every such notice shall state the name and address of each of the Purchasers and the number of Offered Shares agreed to be purchased by them and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice. However (except as regards any Transfer Notice given or deemed to be given pursuant to **Articles 11.4, 12.1 or 17.1**, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Offered Shares concerned neither this **Article 10.4** nor the following **Article 10.5** shall apply and the Offer shall be deemed to be revoked unless the Company shall have found Purchasers for all of such Offered Shares

#### 10 5 Failure to Transfer

If a Proposing Transferor shall fail or refuse to transfer any Offered Shares to a Purchaser hereunder the Directors may (and will if so requested by the "A" Directors) authorise any one of the Directors to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Offered Shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Proposing Transferor shall in such case be bound to deliver up his certificate(s) for the Offered Shares to the Company whereupon the Proposing Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Proposing Transferor but without interest. If such certificate(s) shall comprise any Offered Shares which the Proposing Transferor has not become bound to transfer as aforesaid the Company shall issue to the Proposing Transferor a certificate for such Offered Shares

#### 10 6 Third Party Purchasers

- 10 6 1 If the Company shall not within the said periods find Purchasers willing to purchase all the Offered Shares, the Company shall promptly give notice in writing thereof to the Proposing Transferor and the Proposing Transferor at any time thereafter up to the expiration of two months after receipt of such notice shall be at liberty to transfer those Offered Shares for which the Company has not found Purchasers (or all the Offered Shares the subject of the Transfer Notice, if the Transfer Notice stated that the Proposing Transferor is not willing to transfer part only of the Offered Shares) to the Intended Transferee on a bona fide arm's length sale at a price not less than the purchase price per

Share specified in the Transfer Notice and on terms no more favourable to (or less onerous on) the Intended Transferee than those set out in the Transfer Notice, provided that

- 10 6 2 if the Transfer Notice states that the Proposing Transferor is not willing to transfer part only of the Offered Shares he shall not be entitled hereunder to transfer any of such Offered Shares unless in aggregate the whole of such Offered Shares are so transferred,
- 10 6 3 prior to any such transfer the Intended Transferee first executes and delivers to the Company and each Shareholder an appropriate deed of adherence (if so required by the Shareholders' Agreement), and
- 10 6 4 the Board of Directors may refuse or veto the approval or registration of the transfer provided always that the Board of Directors may only refuse or veto the approval or registration of the transfer of Shares held by The Plimsoll Line Limited (Company Number 1967358) or any Permitted Corporate Transferee of The Plimsoll Line Limited if the Intended Transferee is a competitor of the Company

10 7 Preference Shares and/or RP Shares included in Transfer Notice

If the Proposing Transferor is also a Preference Shareholder and/or an RP Shareholder, he may state in the Transfer Notice that the Offered Shares are to include all or a specified number of the Preference Shares and/or the RP Shares held by him in which event

- 10 7 1 the Transfer Notice shall be deemed to include such Preference Shares and/or RP Shares, and
- 10 7 2 any Purchasers must agree to accept the Offer made in accordance with this **Article 10** in respect of Preference Shares, RP Shares, Ordinary Shares and "A" Ordinary Shares as the case may be, in the same proportion, as nearly as may be, as the number of Preference Shares, RP Shares, Ordinary Shares and "A" Ordinary Shares comprised in the Transfer Notice bear to each other

11 **FURTHER PROVISIONS RELATING TO TRANSFERS OF SHARES**

- 11 1 No Share (and no interest in any Share) shall be transferred or disposed of to any person unless expressly authorised by **Articles 9, 10, 11, 12, 13, 15, 16 or 17**. If this **Article 11.1** is infringed the holder of the relevant Shares shall be bound or required to give a Transfer Notice in respect thereof if a majority of the Directors (such majority to include the "A" Directors) so resolve
- 11 2 A person entitled to any Shares in consequence of the death or bankruptcy of a member shall be bound or required to give a Transfer Notice in respect of such Shares if and when required in writing by a majority of the Directors (such majority to include the "A" Directors) to do so at any time within a period of two years from becoming so entitled
- 11 3 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles, or that no circumstances have arisen whereby a Shareholder may be bound or required to give a Transfer Notice, a majority of the Directors (such majority to include the "A" Directors) may from time to time require any member or any person named as transferee in any transfer lodged for

registration to furnish to the Directors such information and evidence as such Directors (including the "A" Directors) may reasonably think fit regarding any matter which they (including the "A" Directors) may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of a majority of the Directors (such majority to include the "A" Directors) within a reasonable time after request, the Directors by majority decision (such majority to include the "A" Directors) shall be entitled in their absolute discretion to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned. If such information or evidence discloses to the satisfaction of a majority of the Directors (such majority to include the "A" Directors) in their absolute discretion that circumstances have arisen whereby a Shareholder may be bound or required to give a Transfer Notice, the Directors by majority decision (such majority to include the "A" Directors) may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned.

- 11.4 In any case where the Directors have duly resolved and/or required a Transfer Notice to be given in respect of any Shares and such Transfer Notice is not duly given within a period of one week, such Transfer Notice shall be deemed to have been given at the expiry of the said period and the provisions of these Articles relating to Transfer Notices shall take effect accordingly unless a majority of the Directors (such majority to include the "A" Directors) elect otherwise.
- 11.5 A Transfer Notice deemed to be given pursuant to **Articles 11.4, 12.1 or 17.1** shall not be capable of revocation (other than by the "A" Directors by notice in writing to all the Shareholders) and, for the purpose of **Article 10.2.1**, shall be deemed to specify that all Shares held by the relevant Shareholder are desired to be transferred or disposed of, that the relevant Shareholder is willing to transfer part only of the Offered Shares, and that the Shares will be sold at the Prescribed Price and on the Transfer Terms. Subject as provided to the contrary in **Articles 11.4, 12.1 or 17.1** as appropriate, the provisions of **Article 10** shall apply to any Transfer Notice deemed to be given under or pursuant to **Articles 11.4, 12.1 or 17.1** and shall be construed accordingly.
- 11.6 Prescribed Price and Determination of Prescribed Price
- 11.7 Within 10 Business Days after the date (the "**Transfer Notice Date**") on which a Transfer Notice is deemed to have been given pursuant to **Articles 11.4, 12.1 or 17.1** the majority of the Directors (the "A" Directors being part of that majority) shall determine in writing the price per Share as representing the net balance sheet value thereof as determined pursuant to **Article 11.8** below and such price shall be the Prescribed Price (subject to the deduction therefrom of the gross amount of any dividend or other distribution declared or made after such determination and to be retained by the Shareholder deemed to have given the Transfer Notice). In determining the net balance sheet value the Equity Shares shall be treated as if they constituted one class of Equity Share and no regard is to be had to the fact that any Shares concerned constitute a majority or minority or that they and their transfer are subject to restrictions and the calculation shall be on the basis of an arms length sale between a willing seller and a willing purchaser.
- 11.8 The net balance sheet value shall be the aggregate of the par value of the Ordinary Shares and the "A" Ordinary Shares, the capital and revenue reserves



of the Company and the balance on the Company's profit and loss account at the date of the last accounting reference date of the Company prior to the Transfer Notice Date

- 11 9 In any case where a Shareholder (or his personal representatives) has been required to give or has been deemed to have given a Transfer Notice pursuant to the provisions of **Articles 11.4, 12.1 or 17.1** and subsequently becomes the holder of (or is deemed pursuant to **Article 9** to be the holder of) further Shares in the Company by virtue of the holdings of any Shares comprised in such Transfer Notice (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise) a majority of the Directors (such majority to include the "A" Directors) may at any time thereafter determine in their absolute discretion that he (or his personal representative) as appropriate shall be deemed to have served a Transfer Notice pursuant to **Articles 11.4, 12.1 or 17.1** (as appropriate) in respect of such further Shares

## 12 **DEEMED TRANSFER NOTICE**

- 12 1 In any case where an Ordinary Shareholder (other than The Plimsoll Line Limited or any Shareholder whose entire shareholding in the Company is solely comprised by BA Shares ("**Plimsoll Transferee**")) ceases or has ceased (for whatever reason) to be either a director or employee of the Company or any of its subsidiary undertakings (and is not continuing as either a director or employee of the Company or of any subsidiary undertakings of the Company, as the case may be) or commits any material breach (as defined in the Shareholders' Agreement) of the Shareholders' Agreement which cannot be effectively remedied or which the Shareholder fails to remedy within 20 Business Days of a notice in writing from any other Shareholder specifying the breach and requiring remedy or of **Article 18** (the "**Departing Shareholder**") such Departing Shareholder (or his personal representative, as appropriate) and the legal owners of his Beneficial Shareholding (as defined below) shall be deemed to have served a Transfer Notice pursuant to **Article 10 2** in respect of his entire holding of Ordinary Shares (excluding any BA Shares but including any Shares deemed to be held by him pursuant to **Article 9** or any other shares held for him or by or for any privileged relation(s) or trustees pursuant to **Article 9.3** (referred to together in this Article as his "**Beneficial Shareholding**")) upon the date of any such determination, provided always, for the avoidance of doubt, it is agreed that this **Article 12 1** does not apply in relation to any interest in Ordinary Shares (the "**Interest in Ordinary Shares**") if such Ordinary Shares are held by the trustee or trustees of any Employees' Share Scheme and such Interest in Ordinary Shares is held by any person or persons subject to the terms of such Employees' Share Scheme
- 12 2 In the event of any Ordinary Shareholder being deemed to have given a Transfer Notice under **Article 12.1** as a result of his ceasing to be a director or employee of the Company or of any of its subsidiaries (except in the case of wrongful dismissal, death or disability ill-health or retirement at normal retirement age or otherwise with the consent of the "A" Directors) or following a material breach of the Shareholders' Agreement which the Shareholder fails to remedy within 20 Business Days of a notice in writing from any other Shareholder specifying the breach and requiring remedy or of **Article 18**, the Prescribed Price shall be the sum determined in accordance with **Articles 11.7 and 11.8**

- 12 3 In the event of any Ordinary Shareholder being deemed to have given a Transfer Notice under **Article 12.1** as a result of his ceasing to be a director or employee of the Company or of any of its subsidiaries as a result of a wrongful dismissal, disability, ill-health or retirement at normal retirement age or otherwise with the consent of the majority of the Directors (such majority to include the "A" Directors) may revoke the deemed Transfer Notice allowing the Ordinary Shareholder affected to retain ownership of the shares the subject of any deemed Transfer Notice
- 12 4 For the purposes only of these Articles
- 12 4 1 a dismissal shall not be wrongful if it arises by termination by the giving of the requisite notice or with payment of any legal entitlement to compensation in lieu in notice or with an offer to pay such entitlement which is not accepted, and
- 12 4 2 the decision of the Directors as to whether or not there has been a material breach of the Shareholders' Agreement or of **Article 18** shall be final and binding and such director shall be under no liability to any person by reason of his decision
- 12 5 For the avoidance of doubt, any Transfer Notice deemed to be served under this **Article 12** shall supersede and cancel any then current Transfer Notice previously given under **Articles 9, 10** or **11** insofar as it relates to the same Shares (unless the purchase of any such Shares has been completed in accordance with **Article 10**) pursuant to such earlier Transfer Notice
- 12 6 The provisions of this **Article 12** are agreed to be fair, reasonable and equitable and it is intended that the "A" Directors should be entitled to exercise freely and effectively the discretion granted them by **Article 12.2** in all circumstances in which such Article is stated to apply
- 12 7 For the avoidance of doubt the provisions of this **Article 12** shall not apply to The Plimsoll Line Limited or any Plimsoll Transferee
- 13 TRANSFERS OF PREFERENCE SHARES, RP SHARES AND "A ORDINARY SHARES**
- 13 1 Subject to **Article 15**, "A" Ordinary Shares, RP Shares and Preference Shares are freely transferable to
- 13 1 1 any Permitted Corporate Transferee as defined in **Article 9.4.1**, or
- 13 1 2 any bank or financial institution or to any fund manager, unit trust manager, investment trust manager, venture capital fund or mezzanine fund or to any nominee or trustee of the same (an "Institutional Investor")
- 13 2 In the event of there being more than one Institutional Investor then such class of Shareholders shall determine amongst themselves which of them shall be the agent with whom the Company and the other Shareholders at the time shall deal for all purposes as agent for and on behalf of all Institutional Investors in relation to matters arising from these Articles and in connection with the affairs of the Company

14     **CONVERSION ON TRANSFER, SALE OR LISTING OF ORDINARY SHARES AND "A" ORDINARY SHARES**

14 1     Subject to **Article 14.2**

14 1 1   any Ordinary Share transferred or issued to an "A" Ordinary Shareholder shall (without further authority than is herein contained being necessary) forthwith on the transfer or issue of the same be deemed to have been converted into an "A" Ordinary Share having all the rights, privileges and restrictions attaching to the "A" Ordinary Shares, and

14 1 2   an "A" Ordinary Share transferred or issued to an Ordinary Shareholder or an Employees' Share Scheme or any person pursuant to **Article 10.6** (except where such person is a Permitted Corporate Transferee as defined in **Article 9.4.1** or an Institutional Investor as defined in **Article 13.1.2**) shall (without further authority than is herein contained being necessary) forthwith on the transfer or issue of the same be deemed to have been converted into an Ordinary Share having all the rights, privileges and restrictions attaching to the Ordinary Shares

14 2     On the day which is immediately prior to a Sale or Listing, the "A" Ordinary Shares then comprised in the issued share capital of the Company shall (without further authority than is herein contained being necessary) be redesignated as Ordinary Shares

15     **TAG ALONG**

15 1     Notwithstanding anything in these Articles to the contrary, though subject as provided in **Article 15.3**, no change in the holder of the beneficial interest in any Equity Shares and no sale or transfer of any Equity Shares (in each case, the "**Specified Shares**") to any person or persons who in relation to each other are Connected Persons or persons acting in concert (and for the purposes of this **Article 15**, the "A" Directors shall be deemed to be persons acting in concert) which would result if made and registered (if applicable) in such person or persons (whether or not then a member or members of the Company) obtaining or increasing a controlling interest (whether by a single transaction or any series of transactions over any 12 month period) in the Company (a "**Transfer Changing Control**") shall be made or registered (if applicable) without the previous written consent of the holders of 100% in nominal value of the Equity Shares unless

15 1 1   before the change in the holder of the beneficial interest takes effect, or before the transfer is lodged for approval to the Directors for registration (as applicable), the proposed transferee or his nominee has made an offer in accordance with this **Article 15** (a "**Qualifying Offer**") to purchase on the Transfer Terms (i) all the other Ordinary Shares and "A" Ordinary Shares, at the Specified Price (as hereinafter defined) and (ii) all the Preference Shares and RP Shares at their paid-up value plus an amount equal to any arrears, deficiencies and/or accruals of the Preference Dividend (including interest thereon) (whether or not declared or earned) to be calculated down to the date of completion, and

15 1 2   before the change in the holder of the beneficial interest takes effect, or before or at the same time as the transfer of the Specified Shares is approved by the Directors (subject to stamping) (as applicable) each such accepted offer is

completed and the consideration thereunder paid or satisfied except insofar as failure to complete is due to the fault of the offeree

15 2 A Qualifying Offer shall be in writing and shall be stipulated to be open for acceptance in the United Kingdom for at least 21 days and in default of acceptance in writing within such time by an offeree shall be deemed to have been rejected by such offeree

15 3 The provisions of **Article 15.1** shall not apply to

15 3 1 the acquisition of Shares pursuant to **Articles 9.2 to 9.4** (inclusive) and **9 6**, or

15 3 2 any change (resulting from a bona fide transaction) in the beneficial holder of Shares if, both immediately before and immediately after such change, the beneficial interest in such Shares is held by a beneficiary or beneficiaries of, or any person owned or controlled by the trustees of, the Walker Family Trusts (as defined in **Article 15.4.5** below),

and any such acquisition of Shares by any such person and any such change in the beneficial holder of such Shares shall not constitute a "Transfer Changing Control"

15 4 For the purpose of this Article

15 4 1 the expression "**a controlling interest**" shall mean Equity Shares conferring in the aggregate more than 50% (fifty per cent) of the total voting rights conferred by all the Equity Shares for the time being in issue and conferring the right to vote at all general meetings,

15 4 2 the expression "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renounee under any such letter of allotment, and

15 4 3 the "**Specified Price**" shall mean

15 4 3 1 the same price per Share as that offered or paid or agreed to be paid by the proposed transferee or any Connected Person with or any person acting in concert with such person for each Specified Share, or, if higher,

15 4 3 2 if the proposed transferee or any Connected Person with or any person acting in concert with such person has acquired any Ordinary Shares and/or "A" Ordinary Shares during the preceding twelve months, the "Specified Price" shall mean a price of not less than the average price per Share paid or agreed to be paid in respect of all such Shares so acquired during the preceding twelve months (including the Specified Shares)

15 4 4 In determining the price paid or agreed to be paid for a Share for the purposes of **Article 15 4.3**, there shall be included in each case an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the seller of the relevant Shares (or any Connected Person or person acting in concert with him or, where such seller is a trust, the beneficiaries of such trust and the Connected Persons of such beneficiaries) which (having regard to the substance of the transaction as a whole) can

reasonably be regarded as forming part of the consideration for the relevant Shares together with an amount reflecting any fees or benefit receivable by any of the holders of the "A" Ordinary Shares directly or indirectly for or in connection with the sale of their Shares

15 4 5 **"Walker Family Trusts"** shall mean any trust for the time being in existence established by the late Mr Jack Walker the beneficiaries of which include one or more members of his family or his descendants

15 5 In the event of disagreement the calculation of the Specified Price shall be referred to PricewaterhouseCoopers LLP to act as umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales (or any successor body thereto) at the request of any of the parties concerned) whose decision shall be final and binding. In the absence of fraud such umpire shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith. The proposing transferor and any other Shareholder shall provide such umpire with whatever information the umpire reasonably requests for the purposes of the calculation

15 6 Notwithstanding any provisions to the contrary in these Articles, on any exercise of their respective rights set out in **Article 15.1**, The Plimsoll Line Limited (or any Plimsoll Transferee) and James French shall sell their Shares on the Transfer Terms but shall not otherwise be required to give any warranties (other than as to title), restrictive covenants, undertakings or indemnities to the buyer

## 16 **DRAG ALONG**

16 1 Notwithstanding any other provisions of these Articles

16 1 1 If any "A" Shareholders (the **"Selling Shareholders"**) wish to transfer some or all of their interest in the Equity Shares, the Preference Shares and/or the RP Shares (the **"Drag Shares"**) to a bona fide purchaser on an arm's length basis (the **"Third Party Purchaser"**), and the Drag Shares to be transferred by the Selling Shareholders include more than 50% in nominal value of the issued Equity Shares at the relevant time, the Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all other holders of any class of Share included within the definition of Drag Shares (the **"Called Shareholders"**) to sell and transfer all their Shares on the Transfer Terms to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this **Article 16**

16 1 2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (a **"Drag Along Notice"**) at any time before the transfer of the shares of the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer some or all of their Drag Shares (as applicable) (the **"Called Shares"**) pursuant to this **Article 16.1.2**, the person to whom they are to be transferred, the price at which the Called Shares are to be transferred (specified in accordance with **Article 16 1.5**) and the proposed date of transfer (**"Completion"**)

- 16 1 3 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Drag Along Notice. If a Drag Along Notice lapses the Selling Shareholders shall be entitled to give a further Drag Along Notice or Notices either in respect of the same Third Party Purchaser or otherwise.
- 16 1 4 After a Drag Along Notice has been served and before it has lapsed no Called Shareholder may transfer any shares held by him other than in accordance with the Drag Along Notice without the consent of the Selling Shareholders.
- 16 1 5 The Called Shareholders shall be obliged to sell each of the Called Shares at the price attributed by the offer from the Third Party Purchaser for a Drag Share together with an amount reflecting any fees, consideration or benefit receivable by any of the holders of the "A" Ordinary Shares (or any Connected Person or, where such seller is a trust, the beneficiaries of such trust and the Connected Persons of such beneficiaries) directly or indirectly for or in connection with the sale of their shares. The provisions of **Article 15.5** shall apply mutatis mutandis in the event of any dispute about such price.
- 16 1 6 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to exercise of a pre-existing option or other right to acquire shares in the Company (a "New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this **Article 16** shall apply mutatis mutandis to the New Member.
- 16 1 7 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Drag Shares unless
- 16 1 7 1 all of the Called Shareholders and the Selling Shareholders agree otherwise, or
- 16 1 7 2 that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.
- 16 1 8 If any holder of Drag Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of the Called Shares held by him, any "A" Ordinary Shareholder shall be irrevocably entitled to and shall authorise and instruct such person as he shall think fit to execute necessary transfer(s) (and any other documents required to be executed by the Selling Shareholder on the sale of their Called Shares) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person.
- 16 2 Notwithstanding any provisions to the contrary in these Articles, on any exercise of the Drag Along Option

- 16 2 1 The Plimsoll Line Limited (or any Plimsoll Transferee or any other holder of BA Shares) shall sell their BA Shares, and James French shall sell his Shares, on the Transfer Terms, but shall not otherwise be required to give any warranties (other than as to title), restrictive covenants, undertakings or indemnities to the buyer,
- 16 2 2 without prejudice to **Article 16.2.1** above, The Plimsoll Line Limited (or any Plimsoll Transferee or any other holder of BA Shares) shall not be required to sell their BA Shares, and James French shall not be required to sell his Shares, on terms which are more onerous than those on which the Selling Shareholders are selling their Shares,
- 16 2 3 The Plimsoll Line Limited (or any Plimsoll Transferee or any other holder of BA Shares) shall have the right to elect to receive cash (in sterling) on the sale of their BA Shares at the same value per BA Share as that received by the Selling Shareholders for their "A" Ordinary Shares, and James French shall have the right to elect to receive cash (in sterling) on the sale of his Shares at the same value per Share as that received by the Selling Shareholders for their "A" Ordinary Shares, and
- 16 2 4 If the Selling Shareholders are receiving any deferred consideration on the sale of their Shares then The Plimsoll Line Limited (or any Plimsoll Transferee or any other holder of BA Shares) and James French shall, subject to each of the prior **Articles 16.2.1 to 16.2.3** (inclusive), receive deferred consideration in respect of the sale of their BA Shares (in the case of The Plimsoll Line Limited or any Plimsoll Transferee or any other holder of BA Shares) or Shares (in the case of James French) on the same terms as the Selling Shareholders (save that such deferred consideration shall not relate to the sale of more than 25 per cent of the BA Shares (in the case of The Plimsoll Line Limited or any Plimsoll Transferee or any other holder of BA Shares) or Shares (in the case of James French) held by The Plimsoll Line Limited (or any Plimsoll Transferee or any other holder of BA Shares) or James French (as applicable) and shall be due and payable on a date not more than 18 months from the date of completion of such sale
- 16 3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this **Article 16**

## 17 **TRANSFERS OF BENEFICIAL INTERESTS IN SHARES HELD BY AN EMPLOYEES' SHARE SCHEME**

### 17 1 Mandatory Transfers

If a holder of a beneficial interest in Ordinary Shares (where the nominee of such beneficial holder is the trustee or trustees for the time being of an Employees' Share Scheme) ceases or has ceased to be either a director or employee of the Company or any of its subsidiary undertakings (and is not continuing as either a director or employee of the Company or subsidiary undertakings of the Company) (a "**Departing Beneficial Shareholder**") such Departing Beneficial Shareholder shall be deemed to have offered to sell such beneficial interest to the trustee or trustees for the time being of that Employees' Share Scheme upon the date of any such determination pursuant to the rules of an Employees' Share Scheme, provided that, if the Departing Beneficial Shareholder does not accept, within 3 months of the date of such

determination, the offer by the trustee or trustees of that Employees' Share Scheme, the Departing Beneficial Shareholder will be deemed to have irrevocably served a Transfer Notice pursuant to **Article 12** with effect from the date ending on the expiry of such 3 month period and the costs of ascertaining the Prescribed Price shall be borne by the Departing Beneficial Shareholder

17 2 Voluntary Transfers

Before any employee or director transfers any beneficial interest in Ordinary Shares (where the nominee of such beneficial holder is a trustee or the trustees for the time being of an Employees' Share Scheme) the holder of the beneficial interest shall give a notice in writing to the Company and the trustee or trustees of the time being of an Employees' Share Scheme that he wishes to transfer the beneficial interest in such Ordinary Shares. Such notice shall constitute the appointment of the Company as his agent to offer for sale the beneficial interest in such Ordinary Shares to the trustee or trustees for the time being of an Employees' Share Scheme pursuant to the rules of such scheme

18 **VARIATION OF CLASS RIGHTS**

18 1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with in the case of Ordinary Shares, the unanimous consent of the Ordinary Shareholders or, in the case of all other classes of Share, with the consent in writing of the holders of 100 per cent of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. To every such separate meeting, all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply

18 2 Without prejudice to the generality of this **Article 18**, the special rights attached to the "A" Ordinary Shares shall be deemed to be varied at any time by any of the following or by the proposing of any resolution to effect any of the following

18 2 1 an increase, reduction or other alteration in the issued share capital of the Company or any other member of the Company's Group or a variation in the rights attaching to any class thereof, apart from an alteration arising out of a conversion or redemption of shares under these Articles,

18 2 2 the grant of an option to subscribe for shares in the Company or any other member of the Company's Group or the issue of any securities or instruments convertible into shares in any such company,

18 2 3 the creation by the Company or any other member of the Company's Group of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the ordinary course of business),



- 18 2 4 any resolution (whether pursuant to Part II of the Act or otherwise) whereby the classification or status of the Company or any other member of the Company's Group may be changed,
  - 18 2 5 the borrowings of the Company's Group exceeding any limit imposed by any Annual Business Plan and Budget,
  - 18 2 6 the making of any material change (including cessation) in the nature of the business of the Company's Group taken as a whole,
  - 18 2 7 the alteration of the Memorandum of Association of the Company or these Articles or the passing of any special or extraordinary resolution of the members (or any class of them),
  - 18 2 8 the declaration or payment of any dividend or the making of any other distribution in respect of the profits, assets or reserves of the Company or any other member of the Company's Group (other than the Preference Dividend and the redemption of the Preference Shares or RP Shares in accordance with these Articles),
  - 18 2 9 the initiation or support of any proceedings for, or the passing of any resolution for, the winding up or administration of the Company or any other member of the Company's Group,
  - 18 2 10 the removal of an "A" Director,
  - 18 2 11 a Sale, Asset Sale or Listing,
  - 18 2 12 any change to the Company's auditors or accounting reference date or any determination, alteration or adjustment to the accounting policies and bases upon which the annual profit and loss account and balance sheet of the Company and any other member of the Company's Group are prepared (save as is necessary to comply with any change in the law or a Financial Reporting Standard published by the Accounting Standards Board),
  - 18 2 13 the proposal of any resolution pursuant to the provisions of sections 159-181 (inclusive) of the Act (redeemable shares – purchase by a company of its own shares),
  - 18 2 14 the acquisition of any interest in any shares in the capital of any company or the acquisition of any part of the business or undertaking of any other person, firm or company by the Company or any member of the Company's Group, and
  - 18 2 15 the Company or any other member of the Company's Group incurring an obligation to do any of the foregoing
- 18 3 Without prejudice to the generality of this **Article 18**, the special rights attached to the Ordinary Shares shall be deemed to be varied at any time by a variation in the rights attaching to any class of Shares which has the effect of varying the rights attaching to the Ordinary Shares

## 19 MEETINGS

- 19 1 Regulation 37 of Table A shall be amended by the insertion of the words "or an "A" Director acting alone" after the second word of that regulation
- 19 2 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present, and at the adjourned meeting the quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall form a quorum, and Regulation 41 of Table A shall be modified accordingly
- 19 3 A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 46(b) of Table A shall be modified accordingly
- 19 4 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly "
- 19 5 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof "
- 19 6 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the words "invalid" of the words "unless a majority of the Directors (the "A" Directors being part of that majority) resolve otherwise "

## 20 NOTICES

Any notice under these Articles sent to any member (or any other person entitled to receive notices under the Articles) by post to an address within the United Kingdom and the Channel Islands shall be deemed to have been given upon the expiry of twenty four hours, if prepaid as first class, and upon the expiry of forty-eight hours, if prepaid as second class, after the same shall have been posted within the United Kingdom Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted in the United Kingdom Any notice not sent by post but left at a member's registered address shall be deemed to have been given on the day it was so left

## 21 DIRECTORS' BORROWING POWERS

Subject as provided in **Article 18**, the Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Act, 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

## 22 **DIRECTORS**

- 22 1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two
- 22 2 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the registered office or such other place as may be designated for the purpose by the Directors"
- 22 3 A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting following his appointment Regulations 78 and 79 and Table A shall be modified accordingly
- 22 4 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly
- 22 5 Subject as provided in **Article 18** and **Article 8**, the holders of not less than one half in nominal value of the Shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the registered office or such other place designated by the Directors for the purpose Such removal or appointment shall take effect immediately upon receipt of notice or on such later date (if any) as may be specified in the notice The provision of this **Article 22.5** is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director

## 23 **"A" DIRECTOR**

In the event that, for any reason, there is no "A" Director appointed at any time, reference in these Articles to any matter requiring the consent of the "A" Directors shall be deemed to be references to the consent of the holders of a majority in nominal value of the "A" Ordinary Shares

## 24 **DIVISIONAL DIRECTORS**

- 24 1 The Directors may at any time and from time to time appoint any employee of the Company to the position of Divisional Director
- 24 2 A Divisional Director shall advise and assist the Directors but shall not attend board meetings except at the invitation of the Directors, and when present at the board meetings he shall not be entitled to vote, nor be counted in the quorum, but subject as aforesaid he shall as Divisional Director have such powers, authorities and duties as the Directors may in the particular case from time to time determine

- 24 3 A Divisional Director shall not be deemed a member of the Board, nor any committee thereof, nor shall he be a Director for any of the purposes of these Articles or (so far as provision may lawfully be made in this behalf) for any of the purposes of the Act
- 24 4 Without prejudice to any rights or claims the Divisional Director may have under any contract with the Company, any appointment as a Divisional Director may be determined by the Directors at any time and shall ipso facto terminate if the Divisional Director shall from any cause cease to be an employee of the Company
- 24 5 A Divisional Director may receive such remuneration (if any) in addition to the remuneration received as an employee of the Company as the Directors shall from time to time determine

## 25 BOARD MEETINGS

- 25 1 Regulation 89 of Table a shall be modified by the insertion of the following words at the end of the first sentence "provided that if at any time one or more "A" Directors have been appointed, at least one of the "A" Directors must be included in the quorum"
- 25 2 Regulation 94 of Table A shall be modified by the insertion of the following before the words "unless his interest or duty arises only because"
- "unless, in the case of a Director other than the "A" Directors, he has obtained the approval in writing of an "A" Director or, in the case of the "A" Directors, he has obtained the approval in writing of a majority of the Directors (excluding the "A" Directors) or"
- 25 3 Notice of any meeting of the Directors may be given by telephone The contemporaneous linking together by telephone of a number of the Directors being not less than the quorum shall be deemed to constitute a meeting of the Directors wherever in the world they are, so long as
- 25 3 1 none of the Directors is absent from the meeting except only as to any of them who the chairman may have consented before the meeting may be absent therefrom,
- 25 3 2 the Directors who are so linked shall constitute a quorum,
- 25 3 3 at the commencement of the meeting each Director acknowledges the presence thereof to all the other Directors taking part,
- 25 3 4 each of the Directors taking part are able to hear each other of them subject as hereinafter mentioned throughout the meeting,
- 25 3 5 the Directors present at the commencement of the meeting do not leave the meeting by disconnecting the telephone but the meeting shall be deemed to have been conducted validly notwithstanding that the telephone of any Director is accidentally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected,

25 3 6 a minute of the proceedings shall be sufficient evidence thereof and the observance of all necessary formalities if certified by the chairman of the meeting, and

25 3 7 the meeting shall be deemed to take place where the Chairman of the meeting is physically present

## 26 INDEMNITY

26 1 Subject to the provisions of the Act, but without prejudice to any indemnity to which may otherwise be entitled, every director, alternate director, secretary or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether 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 in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

26 2 Subject to the consent in writing of the "A" Directors or of the holders of a majority of the "A" Ordinary Shares, the Directors may exercise all the powers of the Company to purchase and maintain for any Director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against

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**Names, Addresses and Descriptions of Subscribers**

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DAVID ORDISH  
22-24 Cowper Street  
City Road  
London EC2A 4AP

Company Director

DEREK PATTISON  
22-24 Cowper Street  
City Road  
London EC2A 4AP

Company Director

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Dated the 30th day of May 1978

Witness to the above Signatures

RACHEL FUTERMAN  
22-24 Cowper Street  
City Road  
London EC2A 4AP

Company Director