

Company Number: 1629528

THE COMPANIES ACTS 1985 & 1989

A PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

- OF -



BRETT AND RANDALL INSURANCE BROKERS LIMITED ("the Company")

We the undersigned being as of today's date all the registered holders of all the issued shares of the Company do in accordance with Section 381A of the Companies Act 1985 hereby resolve as follows:

ORDINARY RESOLUTIONS

SHARE CAPITAL

- 1 THAT the existing 10,000 issued ordinary shares of £1 each be converted into 'A' ordinary shares and that the remaining 40,000 unissued ordinary shares of £1 each be converted into 'B' ordinary shares each with the rights but subject to the restrictions as set out in the Articles of Association to be adopted pursuant to the Special Resolution detailed below.
- 2 THAT the Directors be generally and unconditionally authorised to allot and dispose of or grant options over the Company's share capital up to the authorised share capital of the Company at any time or times during the period of five years from the date of this Resolution.

SPECIAL RESOLUTIONS

MEMORANDUM AND ARTICLES OF ASSOCIATION

1. THAT the regulations contained in the accompanying document be and they are hereby adopted as the Memorandum and Articles of Association of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association.

ALLOTMENTS

2. THAT in accordance with the applications received, the following allotments be made to the following persons in the numbers set out below against immediate payment in cash at par:

NAME**NUMBER OF 'B' ORDINARY SHARES
OF £1 EACH**

S C Randall	360
A G Mistry	114
M Mistry	146
R J Mitchell	125
A M Knight	65
C A Hutchins	75
K J Richards	65
A Underwood	25
A W Miller	25

DATED: 4/ April/2000
Stuart C Randall
Ashwin G Mistry
Christopher A Hutchins
Angela M Knight
David S Brett
Ralph J Mitchell
Kathryn L Brett
Minaxi Mistry

COMPANY NUMBER: 1629528

INCORPORATED UNDER THE COMPANIES ACTS 1948 TO 1981

THE COMPANIES ACTS 1985 & 1989

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

- OF -

BRETT AND RANDALL INSURANCE BROKERS LIMITED¹

(as amended by Written Resolution passed on 4 April 2000)

1. The name of the Company is Brett and Randall Insurance Brokers Limited.
2. The Registered Office of the Company will be situate in England.
3. The objects for which the Company is established are:-
 - 3.1 To carry on business as insurance brokers and agents in respect of all classes of insurance, including aviation and aircraft risks of all kinds, fire, marine, life, accident, medical, burglary, workmen's compensation, indemnity, motor, plate glass, live stock, fidelity and boiler insurances.
 - 3.2 To act as estate agents, business and general transfer agents, surveyors, assessors, valuers, salvage and average adjusters.

¹ The name of the Company was changed from Brett and Randall Commercial Insurance Brokers Limited on 1 July 1996.

- 3.3 To negotiate and arrange mortgages, loans and advances, partnerships and the sale and purchase of businesses or shares therein and properties of all kinds.
- 3.4 To carry on any other business of any description which in the opinion of the directors may be capable of being conveniently or advantageously carried on in connection with or ancillary to any of the above businesses or the general business of the Company.
- 3.5 To purchase, sell, exchange, improve, mortgage, charge, rent, let on lease, hire, surrender, license, accept surrenders of, and otherwise acquire and deal with any freehold, leasehold or other property, chattels and effects, erect, pull down, repair, alter, develop or otherwise deal with any building or buildings and adapt the same for the purposes of the Company's business.
- 3.6 To purchase or otherwise acquire all or any part of the business or assets of any person, firm or company, carrying on or formed to carry on any business, which this Company is authorised to carry on or possessed of property suitable to the purposes of this Company and to pay cash or to issue any shares, stocks, debentures or debenture stock of this Company as the consideration for such purchase or acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired.
- 3.6 To acquire in such manner and upon such terms as the Company shall think fit, secret processes, inventions, patents, copyrights, designs or trade marks or any interest therein, the acquisition of which shall seem beneficial to the Company, and to grant rights thereout.
- 3.7 To enter into partnership or amalgamate with any person or body for the purpose of carrying on any business or transaction within the objects of the Company, and to enter into such arrangements for co-operation, sharing profits, losses, mutual assistance, or other working arrangements as may seem desirable.
- 3.8 To manage, develop, sell, lease, mortgage, grant licences or rights of, in, or over or otherwise turn to account or in any other manner deal with or dispose of the undertaking and all or any of the property or assets of the Company with power to accept shares, debentures or securities of or interests in, any other company.
- 3.9 To lend money to such persons, upon such terms and with or without security and subject to such conditions as may seem desirable.

- 3.10 To invest, lend, or otherwise deal with unemployed moneys, in such manner, and upon such terms, as may be thought fit, and to vary investments.
- 3.11 To guarantee, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such means, the performance of, the obligations of an the repayment or payment of the principal amounts and of any premiums, interest and dividends on any securities of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company as defined by section 736 of the Companies Act 1985 or another subsidiary as defined by the said section of the Companies holding company or otherwise associated with the Company in business.
- 3.12 To borrow or raise money in such manner as the Company shall think fit, and in particular, by the issue of debentures or debenture stock, charged upon all or any of the Company's property, both present and future, including its uncalled capital, and to re-issue any debentures at any time paid off.
- 3.13 To draw, accept, endorse, issue, or execute promissory notes, bills of exchange, bills of lading, warrants, and other negotiable, transferable or mercantile instruments.
- 3.14 To purchase, subscribe for, or otherwise acquire and hold shares, stocks or other interest in or obligations of any other company or corporation.
- 3.15 To remunerate any person or company for services rendered or to be rendered in placing or assisting to place any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- 3.15 To remunerate employees of the Company out of or in proportion to the profits of the Company or otherwise as the Company shall think fit; and to promote and give effect to any scheme or arrangement for sharing profits with employees, whether involving the issue of shares or not.
- 3.16 To pay the costs and expenses of or incidental to the promotion and establishment of the Company, or to contract for the payment of the same in whole or in part by others.

- 3.17 To promote any company to acquire the whole or any part of the assets or liabilities of this Company, or for any other purpose which may seem desirable in the interests of this Company, and to subscribe, acquire, underwrite, or place, or assist in so doing, the whole or part of the shares or securities of such company.
- 3.18 To remunerate the directors of the Company in any manner the Company may think fit and to pay gratuities or pensions or allowances on retirement to any directors who have held any other salaried office or place of profit with the Company or to their widows or dependants and to make contributions to any fund and to pay premiums for the purchase or provision of any such gratuity, pension or allowance and to promote or assist financially, whether by way of contributions, donations, the payment of premiums or otherwise, any fund or scheme for the benefit, wholly or in part, of directors, ex-directors, or employees, or ex-employees, of the Company, or their dependants or relatives, or for charitable purposes generally.

PROVIDED ALWAYS that any power which the Company enjoys under sections 659 and 719 of the Companies Acts 1985 or these presents to make provision in connection with the cessation or transfer to any person of the whole or any part of the undertaking of the Company or any of its subsidiaries for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries shall only be exercised by the Company with the sanction of a Special Resolution.

- 3.19 To aid, financially or otherwise, any association or body having for an object the promotion of trade or industry.
- 3.20 To act as or through trustees, agents, secretaries, managers brokers or sub-contractors, and to perform the duties of any office undertaken by the Company.
- 3.21 To procure the Company to be registered or recognised in any overseas country or place, and to exercise any of the objects or powers aforesaid in any part of the world.
- 3.22 To distribute any property of the Company in specie among the members.
- 3.23 To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

It is declared that the foregoing sub-clauses shall be construed independently of each other and the objects therein mentioned shall be neither limited nor restricted by reference to or inference from any other sub-clause or the name of the Company and neither shall they or any of them be deemed to be merely subsidiary to the objects contained in any other sub-clause.

4. The liability of the Members is limited.
5. The share capital* of the Company is £50,000 divided into 10,000 "A" ordinary shares of one pound each and 40,000 "B" ordinary shares of one pound each. Subject and without prejudice to any special rights or privileges for the time being attached to any special class of issued shares any of the shares in the original capital of the Company for the time being unissued, and any new shares from time to time created, may be issued with any preference, whether in respect of dividend or of repayment of capital, or both, or with any other special privilege or advantage over any other shares previously issued, or then about to be issued, and with any special or restricted rights or without any right of voting or otherwise, and generally on such terms and subject to such conditions and provisions as may from time to time be determined by the Company.

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* The share capital of the Company was increased from £1,000 divided into 1,000 shares of £1 each by Ordinary Resolution passed 27 November 1989.

* The share capital of the company was converted from 50,000 ordinary shares of £1 each to 10,000 "A" ordinary shares and 40,000 "B" ordinary shares of £1 each by Written Resolution passed on 4 April 2000.

Company number: 1629528

THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

Of

BRETT & RANDALL INSURANCE BROKERS LIMITED

Adopted by written resolution passed on 4 April 2000

HOWES PERCIVAL
PROVINCIAL HOUSE
37 NEW WALK
LEICESTER
LE1 6TU

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THE COMPANIES ACTS 1985 and 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BRETT AND RANDALL INSURANCE BROKERS LIMITED

Adopted by written resolution on: 4 April 2000

1 Definitions

1.1 In these articles the following words and phrases have the meanings set out opposite them below:

'the 'A' Ordinary Shares' means the 'A' ordinary shares of £1 each in the capital of the Company;

'the Act' means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;

'the 'B' Ordinary Shares' means the 'B' ordinary shares of £1 each in the capital of the Company;

'Bad Leaver' means an Employee Member who for whatever reason ceases to be employed by either the Company or any of its Subsidiaries and is not a Good Leaver. For the avoidance of doubt, an Employee Member shall not be a Bad Leaver as a consequence of his employment transferring between the Company and any of its Subsidiaries;

'Benefits' means all salary, fees and emoluments including sums paid by way of expenses allowance (if taxable), pension contributions and the cash value of benefits in kind;

'Connected Persons' means as defined by section 839 Income and Corporation Taxes Act 1988;

'a Controlling Interest' means an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company taking account of restrictions on voting rights contained in the articles of association of that company;

'Employee Member' means a holder of shares in the Company who is an employee of the Company or any of its subsidiaries;

'Employee Trust' means a trust whose beneficiaries are the bona fide employees of the Company or any of its Subsidiaries;

'Equity Shares' means the issued A Ordinary Shares and B Ordinary Shares;

'Family Trust' means a trust which permits the settled property or the income therefrom to be applied only for the benefit of:-

- The settlor and/or a Privileged Relation of that settlor; or
- Any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities);
and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

'Good Leaver' means an Employee Member who ceases to be employed by either the Company or any of its Subsidiaries by reason of

- (a) having reached the Company's normal retirement age (which at the date of adoption of these Articles is 60 years); or
- (b) death of the Employee Member; or
- (c) permanent ill health of the Employee Member as evidenced by an independent medical report;

'Independent Expert' means an umpire (acting as an expert and not as an arbitrator) nominated by 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;

'Privileged Relations' means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children.

'Subsidiary' means as defined by Section 736 of the Companies Act 1985;

'Table A' means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985;

'Termination Date' means the date on which the contract of employment is terminated.

2 **Application of Table A**

- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

3 **Share capital**

The authorised share capital of the Company at the date of the adoption of these Articles is £50,000 divided into:

- 10,000 'A' Ordinary Shares of £1.00 each
- 40,000 'B' Ordinary Shares of £1.00 each

Such shares shall have the respective rights as to voting provided for below

4 **Dividends**

4.1 A dividend shall be payable on the 'A' Ordinary Shares and the 'B' Ordinary Shares in respect of any financial period of the Company only if such a dividend has been recommended by the directors for that financial year.

4.2 Any such dividend shall be paid in the following order of priority:-

4.2.1 first, to the holders of the 'A' Ordinary Shares a dividend per share for the financial year ('the Fixed Dividend') of 3% of the amount per 'A' Share set out in article 5.1 calculated as at the beginning of that financial period of the Company;

4.2.2 second, to the holders of the 'B' Ordinary Shares the balance of dividend ('the Remainder Dividend') on a pro rata basis in proportion to the number of fully paid up 'B' Ordinary Shares held.

5 **Return of capital**

On a return of assets on liquidation or otherwise, the assets of the Company remaining after payment of its liabilities shall be applied in the following order of priority:-

5.1 first in paying to the holders of the 'A' Ordinary Shares £200 per share, which sum shall increase by 5% compound on each anniversary of the date of the adoption of these Articles of Association; and

5.2 second in paying to the holders of the 'B' Ordinary Shares the balance on a pro rata basis in proportion to the number of fully paid up 'B' Ordinary Shares held.

6 **Voting**

6.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with this article, shares in the Company shall carry votes as follows:

'A' Ordinary shares : no voting rights

'B' Ordinary shares : one vote per share

6.2 Notwithstanding any other provision of these articles, both holders of the 'A' Ordinary Shares and holders of the 'B' Ordinary Shares shall have the right to notice of any general meeting of the Company and have the right to attend at such general meetings.

7 Transfer of shares

The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

8 Permitted and mandatory transfers

Permitted transfers to relations and family trusts

8.1 Subject always to article 8.7 but otherwise notwithstanding any other provision in these articles any member may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor provided that any transfer of shares to trustees to be held upon a Family Trust made during the lifetime of such member may only be made with the consent in writing of the board of directors of the Company.

Criteria for consents to family trusts

8.2 Where the consent of the board of directors is requested to a transfer to a Family Trust such consent shall be given when the board of directors are satisfied:-

8.2.1 with the terms of the trust instrument and in particular with the powers of the trustees;

8.2.2 with the identity of the proposed trustees;

- 8.2.3 that the proposed transfer will not result in 50% or more in the aggregate of the number of shares in the Company's equity share capital being held by trustees of that and any other trusts; and
- 8.2.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

Permitted transfers by family trusts

8.3 *Where any shares are held by trustees upon a Family Trust:-*

- 8.3.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- 8.3.2 such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

Transfers with shareholder approval

- 8.4 Notwithstanding any other provisions of these articles a transfer of any shares approved in writing by the holders of 75% of the 'B' Ordinary Shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

Mandatory transfer if trust ceases to be a 'Family Trust'

- 8.5 If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred.
For the purposes of this sub-article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

Mandatory transfer on cessation of employment

- 8.6 If an Employee Member ceases to be an employee of the Company or a Subsidiary of the Company, Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of:
 - 8.6.1 all shares held by the Employee Member immediately before such cessation; and

8.6.2 all shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final).

Transfers under this sub-article are in these articles referred to as Compulsory Employee Transfers.

Mandatory transfer on death of an Employee Member

8.7 If an Employee Member dies, Transfer Notices shall be deemed to have been served on the date of death in respect of:

8.7.1 all shares held by the Employee Member immediately before such cessation; and

8.7.2 all shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final).

Mandatory transfer on change of control of shareholder

8.8 If a corporate member ceases to be within the control (as such term is defined by section 840 Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name.

9 Pre-emption rights

Transfer notices

9.1 Save as otherwise provided in these articles every member who desires to transfer any shares (hereinafter called 'the Vendor') shall give to the Company notice in writing of such desire (hereinafter called a 'Transfer Notice'). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices shall constitute the Company the Vendor's agent for the sale of the shares specified therein ('the Sale Shares') at the discretion of the directors at a specified price ('the Sale Price').

Calculation of the Sale Price

- 9.2.1 If the Vendor is classed as a Good Leaver, then the Sale Price of the Sale Shares shall be the price agreed by the Vendor and the directors, having separate regard to the 'A' Ordinary Shares and the 'B' Ordinary Shares. If the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value thereof. In arriving at his opinion the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall be final and binding.
- 9.2.2 The costs of the Independent Expert shall be apportioned against the Company, the Proposing Transferor and the Purchaser(s) or borne by anyone or more of them as the Independent Expert shall in its absolute discretion decide, but in the absence of any decision the costs shall be borne by the Company alone.
- 9.2.3 If the Vendor is classed as a Bad Leaver, then the Sale Price of the Sale Shares shall be as follows:
- 9.2.3.1 for the 'A' Ordinary Shares, using the same calculation as that set out for 'A' Ordinary Shares in article 9.2.1; and
- 9.2.3.2 for the 'B' Ordinary Shares, applying the percentage of the Vendor's holding of 'B' Ordinary Shares to the amount calculated by taking the net asset value of the Company (as shown in the consolidated balance sheet of the Company and its Subsidiaries at the Company's year end immediately prior to the valuation of the Sale Price) and deducting the value of all the issued 'A' Ordinary Shares as determined in the calculation in article 9.2.1.

Right of Vendor to reject partial sales

- 9.3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ('a Total Transfer Condition') that unless all the shares comprised therein are sold by the Company pursuant to this article none shall be sold. Any such provision shall be binding on the Company.

Certification of the Sale Price and right of Vendor to cancel

- 9.4 If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Transfer Notice unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company *unless the Vendor cancels the Transfer Notice in accordance with article 9.3 in which case the Vendor shall bear the cost.*

Pre-emptive offers-general

- 9.5 Once the Sale Price has been determined then unless the Vendor validly cancels the Transfer Notice in accordance with article 9.3 or 9.4 the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

First Offer

- 9.6 As soon as Sale Shares become available:
- those 'A' Ordinary Shares which form part of the Sale Shares shall forthwith be offered for sale by the Company to all holders of 'A' Ordinary Shares; and
 - those 'B' Ordinary Shares which form part of the Sale Shares shall forthwith be offered for sale by the Company to all holders of 'B' Ordinary Shares;
- (other than the Vendor and any member who has given or who is deemed to have given a Transfer Notice) pro rata as nearly as may be to the respective numbers of shares within the relevant class of shares held by such members. Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for 21 days ('the First Offer Period').

Second Offer

- 9.7 If at the end of the First Offer Period there are any Sale Shares (either 'A' Ordinary Shares or 'B' Ordinary Shares) offered which have not been allocated in accordance with article 9.6 above, the Company shall offer the Sale Shares (regardless of the class of share) to such members as have stated in writing their willingness to purchase all the shares previously offered to them. This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale

Shares pro rata as nearly as may be in proportion to the number of Equity Shares held by the relevant members. This offer will remain open for a further period of 21 days. Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

Transfer procedure for pre-emptive offers

- 9.8 If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them.

Transfers free of pre-emption

- 9.9 If the Company does not find purchasers for all of the Sale Shares under the terms of this article the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However such a sale may only be made of all the shares and not part only.

Effect of non-compliance

- 9.10 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect.

10 Transfer of control

Transfers prohibited absolutely

- 10.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company in which one or more of the members of the Company (or persons acting in concert with them) has a Controlling Interest.

Compulsory Purchases

- 10.2 If an offeror making an offer for all of the Equity Shares in the Company, having made offers to all the members of the Company, receives valid acceptances from members holding at least 75% of the 'B' Ordinary Shares, then:
- 10.2.1 such offeror may give notice to any non-accepting holder of Equity Shares requiring him to accept the offer within 14 days and stating that, failing such acceptance, he shall be deemed to have accepted such offer in respect of the shares held by him and irrevocably to have waived any pre-emption rights he may have in relation to any shares the subject of such offer;
- 10.2.2 upon the expiry of such notice each recipient thereof shall be obliged to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the shares which were the subject of the notice together with an executed waiver of pre-emption rights, if appropriate;
- 10.2.3 if any such member fails to deliver executed share transfer form(s), share certificate(s) and pre-emption waiver(s) (if appropriate) as set out above he shall be deemed to have appointed any director of the Company to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such member) of the appropriate purchase moneys, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such member's share certificate(s) has/have not been produced;
- 10.2.4 after such offeror or his nominee has been registered as the holder of shares transferred in accordance with this article the validity of such transaction shall not be questioned by any person.

Interpretation

- 10.3 In this article:
- 10.3.1 the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment;
- 10.3.2 the expression 'shares' includes bearer shares, depository receipts and any other security or instrument into which shares may be converted with a view to a sale;
- 10.3.3 whether or not persons are acting in concert will be determined by the then most recent edition of the City Code on Takeovers and Mergers.

Primacy of article

10.4 All other regulations of the Company relating to the transfer of shares and the rights to registration of transfers shall be read subject to the provisions of this article.

11 **Appointment of directors**

11.1 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. A director so appointed shall be required to retire at the next AGM of the Company or if the Company has passed an elective resolution dispensing with the requirement to hold an AGM to retire at the first anniversary of the appointment. Such director may if willing to act be re-appointed by the shareholders.

12 **Meetings of directors**

Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.

13 **Directors' conflicts of interest**

13.1 Subject to the provisions of the Act and provided that he has disclosed in writing to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

13.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

13.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

13.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

13.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and

no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

13.1.5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this article.

13.2 For the purposes of this article:-

13.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

13.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

13.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

14 **Lien**

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

15 **Calls**

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment."

16 **Seal**

Regulation 6 of Table A shall be modified so as to remove the reference to the company seal and regulation 101 of Table A shall be modified by the insertion of the words ", if the Company has one," after the words "The seal" at the beginning of that regulation.

17 **Indemnity**

17.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any 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.

17.2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs.