

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

RESOLUTIONS

of

MILBOURNE INSURANCE SERVICES LIMITED

At an Extraordinary General Meeting of the above named Company held on **22ND NOVEMBER** 1994 the following Resolutions were passed:-

ORDINARY RESOLUTION

1. THAT the authorised share capital of the Company be increased from £100,000 to £101,000 by the creation of 1,000 New Preference Shares ("Preference Shares") of £1 each, such Preference Shares to have the rights and be subject to the restrictions set out in the New Articles of Association of the Company proposed to be adopted pursuant to Resolution 2 below.

SPECIAL RESOLUTION

2. That new Articles of Association be adopted by the Company in the form of the draft regulations produced to the Meeting and initialled by the Chairman and attached to the notice of it in substitution for the existing Articles of Association of the Company which shall cease to apply to the Company.
3. That the Directors be unconditionally authorised for the purposes of Section 80 Companies Act 1985 to exercise all the powers of the Company to allot 1,000 Preference Shares in the capital of the Company to such persons at such times and generally on such terms and conditions as they think fit and so that sub-section 89(1) Companies Act 1985 shall not apply to such allotment of shares made pursuant to the authority contained in this Resolution. This authority shall expire on the day prior to the day five years from the date of the passing of this Resolution.

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CHAIRMAN



THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MILBOURN INSURANCE SERVICES LIMITED

(Adopted, [22ND NOVEMBER] 1994)

Company No. 2061008

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

MILBOURNE INSURANCE SERVICES LIMITED

(Adopted on 22ND NOVEMBER 1994)

1. DEFINITIONS

- "Act" the Companies Act 1985, as amended and in force from time to time;
- "A Shares" the A ordinary shares of £1 each in the Company which will arise by redesignation as such of the existing Ordinary Shares consequent on the Conversion of the Preference Shares, having the rights and being subject to the conditions set out herein ;
- "B Shares" the B ordinary shares of £1 each in the Company arising on the conversion of the Preference Shares, having the rights and being subject to the conditions set out herein;
- "Ordinary Shares" before conversion of the Preference Shares means the existing ordinary shares of £1 each in the Company, having the rights and being subject to the conditions set out herein and, after conversion of the Preference Shares, means the A Shares and the B Shares;

"Table A"	the regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 as amended by the Companies (Tables A-F) Amendment Regulations 1985;
"Board"	the board of directors of the Company as constituted from time to time;
"Conversion Date"	the date of receipt by the Company of a notice validly given as contemplated in Article 3.3.5(a);
"A Directors"	the directors holding office from time to time pursuant to the provisions of Article 10.2;
"B Directors"	the directors holding office from time to time pursuant to the provisions of Article 10.3;
"Dividend Date"	30th November in each year commencing on and from 30th November 1996 or any other date on which the Fixed Dividend becomes due and payable in terms hereof;
"Dividend Rate"	an amount per Preference Share determined by multiplying the amount of £50.00 by the actual percentage base rate of Barclays Bank PLC over the whole of the period for which the Fixed Dividend is payable (taking account of any changes in such base rate during such period) (a certificate by any manager of Barclays Bank PLC to be conclusive evidence, in the absence of manifest arithmetical error, of such base rate), multiplied by the number of days in the period for which the Fixed Dividend is payable and divided by 365. For illustrative purposes, if the Fixed Dividend was payable for a period of 180 days and the base rate of Barclays Bank PLC throughout that period was 6% the Fixed Dividend per Preference Share for

such period would be
$$\pounds 50 \times 6\% \times \frac{180}{365} = \pounds 1.48.$$

- "Fixed Dividend" a fixed cumulative preferential dividend at the Dividend Rate per Preference Share for the relevant period accruing (subject to these Articles) from day to day from 1st December 1995;
- "Preference Shares" the variable rate redeemable cumulative convertible preference shares of £1 each in the Company, having the rights and being subject to the conditions set out herein.
- "PIA" the Personal Investment Authority or any other successor or replacement regulatory body to the rules of which the Company is subject.

2. PRELIMINARY

- 2.1 The regulations contained in Table A shall apply to the Company save in so far as they are varied or excluded by or are inconsistent with these Articles, and such Regulations (save as so excluded or varied or inconsistent with these Articles) and these Articles shall be the regulations of the Company.
- 2.2 Regulations 17, 24, 26, 30, 31, 40, 41, 50, 64, 73 to 81 (inclusive), 84, 89, 94 to 98 (inclusive), and 118 of Table A shall not apply to the Company.
- 2.3 Unless the context otherwise requires, references in these Articles to statutory provisions shall be construed as referring to those provisions as amended or re-enacted and from time to time in force.

3. SHARE CAPITAL

3.1 The authorised share capital of the Company at the date of adoption of these Articles is £101,000 divided into 100,000 Ordinary Shares and 1,000 Preference Shares.

3.2 The shares of each of the said classes shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions hereinafter appearing.

3.3 The following rights shall be attached to the Ordinary Shares and the Preference Shares respectively:-

3.3.1 As regards capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution among the members shall be applied:-

(a) first in paying to the holders of the Preference Shares the sum of £1 per share together with a premium of £49 per share and a sum equal to any arrears and accruals of the Fixed Dividend thereon to be calculated down to the date of the return of capital and to be payable whether or not such dividend has been declared;

(b) thereafter, the balance of such assets shall belong to and be distributed among the holders of the Ordinary Shares *pari passu* in proportion to the number of such shares held by them.

3.3.2 As regards income

(a) Subject to the ensuing provisions of this Article 3.3.2, the holders of the Preference Shares shall be entitled to be paid the Fixed Dividend out of the profits available for distribution by the Company. The

Preference Shares shall rank for the Fixed Dividend in priority to all other shares of the Company from time to time in issue and the Fixed Dividend shall be payable on the Dividend Date in each year in respect of the accounting reference period last ending prior to the relevant Dividend Date provided that the first dividend payment shall be made on 30th November 1996 in respect of the period commencing on 1st December 1995 and ending on 30th June 1996.

- (b) Except as otherwise provided in these Articles the Preference Shares shall not carry any other rights to participate in the profits or assets of the Company.
- (c) All dividends declared in respect of the Ordinary Shares shall be distributed among the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by them.
- (d) All references to dividends (including the Fixed Dividend) herein or elsewhere in these Articles are inclusive of any associated tax credit.
- (e) Subject to Article 3.3.2(g) the Fixed Dividend payable in respect of any period shall be paid on the date specified in Article 3.3.2(a) and the amount due on such date shall ipso facto and without resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Table A) become a debt due from and immediately payable (subject as aforesaid) by the Company to the holders of the Preference Shares entitled to such dividend.
- (f) Where the Company has insufficient profits available for distribution and by reason of the Act or the provisions of Articles 3.3.2(g) and 3.3.3(k) is unable to pay in full on any Dividend Date any Fixed Dividend payable to

the holders of the Preference Shares which would otherwise require to be paid pursuant to Article 3.3.2(a) on that Dividend Date the following provisions shall apply:-

- (i) on that Dividend Date the Company shall pay to such holders on account of the Fixed Dividend the maximum sum (if any) which can then, consistently with the Act and Article 3.3.2(g), properly be paid by the Company;
 - (ii) on every succeeding Dividend Date the Company shall in respect of the Preference Shares pay on account of the balance of the Fixed Dividend for the time being remaining outstanding, and until the Fixed Dividend is paid in full, the maximum sum (if any) which on each such succeeding Dividend Date respectively can, consistently with the Act and Article 3.3.2(g), properly be paid by the Company;
 - (iii) subject to Article 3.3.2(g) every sum which becomes payable by the Company on any Dividend Date on account of the balance of the Fixed Dividend in accordance with the foregoing provisions of this Article 3.3.2(f) shall on that Dividend Date ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Table A) become a debt due from and immediately payable (subject as aforesaid) to the holders of the Preference Shares registered in the books of the Company on that Dividend Date.
- (g) Notwithstanding Articles 3.3.2(e) and 3.3.2(f), so that this Article shall prevail, the Fixed Dividend shall only become payable and legal proceedings of whatsoever nature

shall be capable of being issued against the Company for recovery thereof only if and to the extent that the Company has sufficient profits available for distribution in payment of the Fixed Dividend under the Act and is able to make such payment without being as a result thereof in breach of the financial resources requirements applicable to the Company in terms of the rules of the PIA.

3.3.3 As regards redemption of the Preference Shares

The following provisions shall, subject to the provisions of the Act and of these Articles, have effect with regard to the redemption of the Preference Shares.

- (a) The holders of a majority of the Preference Shares shall at any time after 30th November 1997, have the right to require the Company by notice in writing to redeem all the Preference Shares then in issue, and the Company itself shall at any time after 30th November 1997 have the right by notice in writing to all the holders of Preference Shares to redeem all the Preference Shares then in issue.
- (b) The redemption of the Preference Shares pursuant to Article 3.3.3(a) shall take place in four equal instalments, the first tranche to be redeemed and the instalment relating thereto to be payable on the date 182 days after (and excluding) the date of service of the notice contemplated in Article 3.3.3(a) and each subsequent tranche to be redeemed and instalment relating thereto to be payable 182 days after (and excluding) the date on which the previous instalment became payable.
- (c) On the relevant date for redemption the Company shall redeem the Preference Shares in respect of which such notice has been properly given and the relevant holders

of the Preference Shares shall deliver to the Company at its registered office from time to time the certificate or certificates for their shares and upon such delivery and against the receipt of the shareholder concerned for the redemption monies payable in respect of his shares the Company shall pay to the shareholder concerned the redemption monies payable to him in respect of such redemption being the amounts specified below, which amount shall be a debt due by the Company to the Shareholder concerned on that date, capable of enforcement against the Company by the issue of legal proceedings.

- (d) The Company shall in the case of a redemption cancel the share certificate or certificates of the shareholder concerned.
- (e) If any holder of Preference Shares whose shares are liable to be redeemed under this Article 3.3.3 fails or refuses to deliver up the certificate for his Preference Shares the Company may retain the redemption monies until delivery up of the certificate to the Company (or of an indemnity in respect thereof in a form reasonably satisfactory to the Company) but shall within 7 days thereafter pay the redemption monies to the shareholders.
- (f) There shall be paid on each Preference Share redeemed:-
 - (i) the sum of £1 per share;
 - (ii) the sum of £49 per share by way of premium; and
 - (iii) a sum equal to any arrears or accruals of the Fixed Dividend to be calculated down to the relevant date for redemption (or otherwise as hereinafter provided) relating to such Preference Share and to be payable whether or not such dividend has been declared.

- (g) As from the date for redemption for the Preference Shares dividends shall cease to accrue on the Preference Shares unless upon the presentation of the certificate (or indemnity) relating thereto the Company fails to make payment of the money due on such redemption in which case dividends shall be deemed to have continued and shall continue to accrue from the date for redemption to the date of payment, without any waiver of the default of the Company in its obligation so to redeem.
- (h) Where the Act or the provisions of Article 3.3.3(j) permits the Company to redeem none or some only of the Preference Shares which would otherwise fall to be redeemed on a particular date, the Company shall redeem such number of the Preference Shares as may lawfully be redeemed on such date and shall redeem, as soon thereafter as it shall be lawfully permitted so to do (having regard to Article (j) below), the remaining number of the Preference Shares which would otherwise have fallen to be redeemed on that date.
- (i) Any redemption of part only of the Preference Shares then in issue shall be effected so that the number of Preference Shares of each holder thereof to be redeemed shall be in the proportion as nearly as may be as the number of Preference Shares held by him at the date of issue of the notice by the Company bears to the total number of Preference Shares in issue at that date.
- (j) The distributable reserves of the Company shall not be utilised to redeem the Preference Shares if and to the extent that such utilisation would have the effect of placing the Company in breach of the financial resources requirements applicable to the Company in terms of the rules of the PIA.
- (k) Notwithstanding the foregoing, the redemption money for

the redemption of the Preference Shares shall only become payable, and legal proceedings of whatsoever nature shall be capable of being issued against the Company for recovery thereof only if and to the extent that the Company has sufficient profits available for distribution in payment of the relevant redemption money under the Act and is able to make such payment without being as a result thereof in breach of the financial resources requirements applicable to the Company in terms of the rules of the PIA.

3.3.4 As regards voting

- (a) The Ordinary Shares and the Preference Shares shall entitle the holders thereof to vote upon any resolution at any general meeting of the Company.
- (b) The holders of the Ordinary Shares and the Preference Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company.
- (c) On a poll the Ordinary Shares and the Preference Shares shall carry one vote per share.
- (d) Accordingly, as regards voting, the Ordinary Shares and the Preference Shares shall rank *pari passu*, rateably between them, in all respects.

3.3.5 As regards conversion of the Preference Shares

- (a) The Preference Shares shall be converted into 1,000 B Ordinary Shares in accordance with the following provisions of this Article 3.3.5 on the Conversion Date by notice in writing to the Company given by the holders of a majority of the Preference Shares, referring to this Article and requiring such conversion. No such notice may be given so as to be received by the Company after

30th November 1997, and any notice purporting to be so given shall not be valid. On the Conversion Date the Fixed Dividend shall cease to accrue but the amount thereof accrued up to the Conversion Date shall nonetheless be payable on the Dividend Date next falling on or after the Conversion Date. Conversion shall be without prejudice to the rights of the holders of the Converted Preference Shares to claim any arrears of Fixed Dividend, which rights shall be enforceable as if such Fixed Dividend had been declared in respect of the B Shares (but subject to Article 3.3.2(g)).

- (b) Upon the Conversion Date, the existing 1,000 Ordinary Shares shall be deemed automatically to have been redesignated as 1,000 A Ordinary Shares.
- (c) The A Shares and the B Shares arising on conversion in terms of the preceding sub-articles of this Article 3.3.5 shall rank in full for all dividends declared after the Conversion Date in respect of the financial year during which conversion takes place, and shall otherwise rank *pari passu* and be in all respects identical.
- (d) Within 28 days from the Conversion Date, the Company shall at its own expense, issue a new certificate or new certificates in respect of the A and B Shares resulting from the relevant conversions, subject to there being delivered to the Company for cancellation the certificate or certificates in respect of the Ordinary Shares and/or Preference Shares (as the case may be) so converted or if the same shall be lost or destroyed an indemnity in respect thereof in form reasonably satisfactory to the Company.
- (e) Conversion of the Ordinary Shares and the Preference Shares respectively shall be effected so that the A Shares and the B Shares arising on conversion shall be

held by the Ordinary Shareholders or the Preference Shareholders (as the case may be) in proportion to the numbers of Ordinary Shares or Preference Shares (as the context requires) held by them immediately prior to conversion.

- (f) Any conversion of the Ordinary Shares or the Preference Shares may be effected in such manner as the Board shall determine by redesignation or otherwise (including by subscription for 1,000 B Shares by the Preference Shareholders in an amount equal to the redemption money payable on redemption of the Preference Shares (other than the Fixed Dividend) and by the redemption of all the Preference Shares for such amount plus any arrears of Fixed Dividend immediately thereafter) (subject in any case to the provisions of the Act), and the members shall vote in favour of all resolutions proposed by the Board for that purpose.

4. ISSUE OF NEW SHARES

- 4.1 Unless all the members of the Company agree to the contrary in writing or a unanimous resolution to the contrary is passed by all such members, any shares unissued at the date of adoption of these Articles and any shares hereafter created shall before allotment for cash be offered for subscription in the first instance to the holders of the Ordinary Shares and the Preference Shares respectively in proportion as nearly as the circumstances will admit to the total numbers of Ordinary Shares and Preference Shares respectively then in issue.
- 4.2 Any such offer as aforesaid shall be made by notice in writing specifying the number of shares and the price at which the same are offered and limiting the time (not being less than 28 days unless the member to whom the offer is to be made otherwise agrees) within which the offer if not accepted will be deemed to be declined.
- 4.3 Any shares allotted to a person who is already a holder of A Shares or

B Shares (as the case may be) shall be designated as A Shares or B Shares (as the case may be) and shall accordingly be subject to such of the provisions of these Articles as are applicable to the relevant class of shares.

- 4.4 Subject to the provisions of these Articles, for the purposes of Section 80 of the Act the Directors shall have general and unconditional authority (limited in time as hereinafter provided) to allot any relevant securities up to the maximum amount hereinafter laid down. The maximum amount of relevant securities which may be allotted under the authority hereby conferred shall be the amount (if any) of the unissued share capital of the Company on the date immediately following the date of adoption of these Articles. The authority hereby conferred shall expire on the day prior to the date five years from the date of the adoption of this Article unless renewed varied or revoked by ordinary resolution of the Company in general meeting at any time.
- 4.5 For the purposes of Section 80(7) of the Act the Company may prior to the expiry of the authority conferred by paragraph 4.4 of this Article or any variation or renewal of such authority make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the authority so conferred shall be construed accordingly and the directors may allot relevant securities notwithstanding that the authority so conferred has expired.
- 4.6 Save as otherwise provided in these Articles all unissued shares which the directors are authorised (by these Articles or otherwise) to allot shall be under the control of the directors who may allot, grant options over, offer or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions and in such manner as they may determine and in accordance with Section 91 of the Act the provisions of Sections 89(1) and 90(1) to 90(6) of the Act shall be excluded.
- 4.7 In this Article "relevant securities" shall have the meaning ascribed thereto in Section 80(2) of the Act and references to the allotment of relevant securities shall be construed in the same manner as in that

Section.

5. TRANSFER OF SHARES

5.1 Save as provided herein no share in the Company or any interest (legal or equitable) therein shall be sold, alienated, transferred charged or otherwise disposed of but any transfer of legal ownership or alienation of voting rights shall be subject to these Articles (including without limitation Article 5.2).

5.2 Subject to the provisions hereof if at any time a member or any other person entitled to be registered in respect of shares of the Company (hereinafter referred to as "the Proposed Transferor") shall desire to transfer or otherwise dispose of all or any shares registered in his name or any interest therein he shall give notice (hereinafter called a "Transfer Notice") to the Company that he desires to sell or transfer such shares or interest. Save as provided herein a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of all the Members. A Transfer Notice shall constitute the Company the agent of the Proposed Transferor to sell all the shares referred to (or deemed to be referred to) in the Transfer Notice (hereinafter referred to as the "Offered Shares") at the fair value determined under Article 5.3 and in accordance with the following provisions:-

5.2.1 Upon the fair value being fixed as provided in Article 5.3 the Directors shall forthwith by notice in writing inform the members of the Company (other than the Proposed Transferor) ("the Recipients") of the number and price of the Offered Shares and invite each Recipient to apply in writing to the Company within 28 days of the date of despatch of the notice (which date shall be specified therein) for the maximum number of the Offered Shares as he shall specify in such application.

5.2.2 The Directors shall within 7 days after the expiration of the 28 day period referred to in Article 5.2.1 notify the Proposed Transferor of the number of Offered Shares (if any) which the Recipients have agreed to purchase.

5.2.3 If the Recipients have not agreed to purchase all of the Offered Shares, the Proposed Transferor shall, notwithstanding any applications therefor, but subject to the provisions hereof, be entitled to withdraw such Transfer Notice by written notice to the Company or to dispose of all the Offered Shares (and not some only) to anyone whomsoever provided that such disposal may take place only within 28 days from the date of the notice referred to in Article 5.2.2, for a price and on terms no more favourable than those offered to the Recipients under Article 5.2.1 and under a bona fide arms length transaction. Should no such disposal take place by the Proposed Transfer, the Proposed Transferor shall not after such period of 28 days be entitled to dispose of any shares (or interest therein) in the Company without again adopting the procedures set forth herein.

5.2.4 If the Recipients (or any of them) shall within the period of 28 days referred to in Article 5.2.1 apply for all of the Offered Shares the Directors shall:-

(a) allocate the Offered Shares to and amongst the Recipients who are holders of Shares of the same class as the Offered Shares according to the number of Offered Shares specified by such Recipients in such application and if there shall have been applied for by such Recipients more than the total of the Offered Shares which are available, the Offered Shares shall be allocated to and amongst such Recipients as nearly as possible pro rata to the numbers of shares of such class held by such applying Recipients; and

(b) if any of the Offered Shares shall remain after the applications of the Recipients referred to in (a) above have been satisfied in full allocate the remainder of the Offered Shares to and amongst the Recipients who are holders of the other class (or classes as the case may be) of shares according to the number of Offered Shares specified by such Recipients in such applications and if there shall have been applied for more than the total of the remainder of the Offered Shares which are available, the same shall be allocated to and amongst such

Recipients as nearly as possible pro rata to the numbers of shares of such other class held by such applying Recipients.

5.2.5 Pursuant to Article 5.2.4 hereof the Directors shall forthwith give notice in writing of allocations of Offered Shares (hereinafter called an "Allocation Notice") to the Proposed Transferor and to the Recipients to whom Offered Shares have been allocated and the Proposed Transferor shall thereupon be bound to transfer the shares so allocated upon and against payment of the fair value thereof. An Allocation Notice shall state the name and address of the relevant Recipient and the number of shares agreed to be purchased by him and the purchase shall be completed at such place and such time as shall be specified by the Directors in such Notice being not less than 14 days nor more than 28 days after the date of such Notice.

5.2.6 If the Proposed Transferor having become bound as aforesaid makes default in accepting payment of the fair value for any of the Offered Shares or as the case may be in transferring the same, the Directors may receive such purchase money and may nominate any Director of the Company to execute an instrument of transfer of such share in the name and on behalf of the Proposed Transferor and thereafter when such instrument has been duly stamped the Directors shall cause the name of the relevant Recipient to be entered in the Register of Members as the holder of such share and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt of the Directors for the purchase money shall be a good discharge to the relevant Recipient (who shall not be bound to see to the application thereof) and after his name has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

5.3 The fair value of any shares to be transferred pursuant to the provisions of Article 5.2 shall be such sum as may be agreed between the Proposed Transferor and the Directors (other than the Proposed Transferor, if he be a director) within 7 days of the service (or deemed

service) upon the Company of a Transfer Notice in which such shares are comprised or in default of such agreement such sum as a Chartered Accountant appointed in the manner described below shall certify in writing to be in his opinion the fair value thereof (which shall however be not less than the share of the then net tangible asset value of the Company which would be attributable to the shares in question on a winding-up of the Company), on the basis of a sale as between a willing vendor and a willing purchaser of all the shares in the Company on the open market and disregarding the fact that the Offered Shares constitute a minority holding of shares in the Company or that the transfer of shares is restricted by these Articles. Such Chartered Accountant shall be appointed by agreement between the Proposed Transferor and the Directors (other than the proposed Transferor, if he be a Director) within 7 days following the expiration of the period of 7 days referred to above or, failing agreement, shall be appointed on the application of the Proposed Transferor or the Directors by the President for the time being of the Institute of Chartered Accountants in England and Wales. In so certifying such Chartered Accountant shall be deemed to be acting as an expert and not as an arbitrator and the Arbitration Act 1950 (as amended) shall not apply. His certificate shall be final and binding. The Directors shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company.

5.4 For the purposes of this Article 5.4 "associated company" of a corporate member shall mean the holding company of such member or a subsidiary of such member or of such holding company for this purpose the terms "holding company" and "subsidiary" shall be interpreted in accordance with the provisions of the Companies Act 1985.

5.4.1 Any member being a body corporate shall be entitled subject to the provisions hereof to transfer all or any part of the shares owned by such member to an associated company of such member.

5.4.2 Should any associated company of a corporate member which is or becomes a member of the Company not be or at any time in the future cease to be an associated company of the corporate member

which first transferred shares to its associated company in terms of Article 5.4.1 above, then such member and the corporate member in respect of which such company is ostensibly an associated company (if any) shall be deemed to have given a transfer notice in respect of all the shares held by such corporate member and such purported associated company (or either of them) with effect on the day on which any other member of the Company notifies such member that the provisions of this Clause have become operative.

5.5.1 Notwithstanding anything herein contained if any member or members of the Company who hold or who together hold not less than 50% of the Ordinary Shares (such member or members being hereinafter referred to as "the Disposers") at any time receive a bona fide offer at arms length from an outside third party, in terms of which such third party has offered to purchase all the Ordinary Shares in the Company on terms which do not differentiate between the Ordinary Shares in the Company including those referred to above (and for this purpose any such offer which provides consideration for a restrictive covenant otherwise than equally between the holders of Ordinary Shares shall be deemed to differentiate) then the Disposers shall within 14 days from receipt of such offer be entitled (but not obliged) to deliver notice thereof (including full details of the transaction) to the Board.

5.5.2 The Board shall forthwith by notice in writing furnish the other members of the Company ("the Offerees") with a copy of the notice received by them and invite each of the Offerees to apply in writing to the Company within 28 days of the date of dispatch of the notice (which date shall be specified therein) to purchase such number of the Ordinary Shares in the Company which are owned between the Disposers as such Offeree shall specify in his application for a price per share and on terms which have a cash value equivalent to the consideration set forth in the notice and otherwise on the same terms set out in such notice.

- 5.5.3 If any one or more of the Offerees shall within the period of 28 days referred to in Article 5.5.2 agree by written notice to the Board to purchase all the Disposers' Ordinary Shares as contemplated in Article 5.5.2, the Directors shall notify the Disposers accordingly and the provisions of Article 6.2 shall then apply, mutatis mutandis. If more than one Offeree agrees as above, the Directors shall allocate the Disposers' Ordinary Shares to and amongst the Offerees according to the number of Disposers' Ordinary Shares specified by the respective Offerees in the aforementioned written notice. If there shall have been applied for more than the total number of the Disposers' Ordinary Shares than are available, the Disposers' Ordinary Shares shall be allocated to and amongst the Offerees as nearly as possible pro-rata to the numbers applied for.
- 5.5.4 If one or more of the Offerees shall not within the 28 day period referred to in Article 5.5.2 have agreed to purchase all of the Disposers' Ordinary Shares in manner aforesaid, the Disposers shall be entitled to accept the offer referred to in Article 5.5.1, in accordance with its terms, but only within a period of 60 days following the expiry of the period of 28 days referred to in Article 5.5.2 and thereupon be entitled to transfer or procure the transfer of not only the Disposers' Ordinary Shares but also the Ordinary Shares of the Offerees in the Company to the third party on the terms of such offer.
- 5.5.5 Should any of the Offerees fail to co-operate in transferring his Ordinary Shares pursuant to Article 5.5.4, the Offeree or Offerees so failing to co-operate shall be deemed to have irrevocably appointed any director of the Company to execute in his/their name(s) any instrument or instruments of transfer in relation to his/their Ordinary Shares and the sale thereof to the third party concerned and to transfer such shares accordingly, with power to exercise all his/their rights to vote at any meeting of the Company in respect of such transfer, and the further power to receive the purchase money on his/their behalf which money shall be held in trust without interest for

him/them. The receipt of the director concerned for such purchase money shall be a good discharge to the third party concerned (who shall not be bound to see to the application thereof), and the Offeree/Offerees in question shall be deemed to have irrevocably undertaken to ratify anything which such director may do in pursuance of the power of attorney arising herefrom.

5.6 Subject to the provisions of this Clause 5.6, should any member which is a company or a corporation (wheresoever incorporated) cease to be controlled by the parties who control that company or corporation as at the later of the date of adoption of these Articles and the date upon which such company or corporation will have first become a member of the Company (and for this purpose "control" means the beneficial ownership of more than 50% of each class of the issued share capital of the Company or corporation concerned, and "controlled" shall have the corresponding meaning) then, unless otherwise agreed in writing by all the other members of the Company, such member shall be deemed to have given a Transfer Notice in respect of all shares in the Company owned by it, and the provisions hereof shall have effect accordingly, provided that such Transfer Notice shall be deemed to have been given on the date upon which any other member of the Company notifies such member that the provisions of this clause have become operative. Notwithstanding the foregoing, neither Milbourne Holdings Limited nor Burdale Holdings Limited shall be regarded as having ceased to be controlled by parties who control them respectively at the date of adoption of these Articles for so long as Milbourne Holdings Limited or Burdale Holdings Limited is controlled by or between all or any of any present shareholder of Milbourne Holdings Limited or Burdale Holdings Limited (as the case may be), or any person connected (in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988) with any such shareholder.

5.7 Notwithstanding anything to the contrary contained in these Articles (but subject to Article 5.8.1) unless otherwise agreed in writing by all the Members, no Buyer (as hereinafter defined) or an Associate or any family of such Buyer shall be entitled or permitted to acquire, and no

holder shall transfer, any shares if as a result a Buyer would acquire a Controlling Interest (as hereinafter defined) in the Company unless and until the Buyer has first made an offer to all the holders of all Ordinary Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them for cash at the Prescribed Price (as hereinafter defined) per share their entire holdings of shares in the capital of the Company.

5.8 In the context of articles 5.7 and this article 5.8 unless the context clearly indicates otherwise:-

5.8.1 the expression "the Buyer" means any one person and his Associates provided that any existing member of the Company and any associated company of a corporate member shall be excluded from this definition so that Article 5.7 shall not apply to the acquisition of any shares by any such excluded person;

5.8.2 the expression "acquire" means to be or become the legal or beneficial owner of shares, whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not;

5.8.3 the expression "Associate" means any nominee of a relevant person; and any person with which any relevant person is connected, the question of whether such person is so connected falling to be determined for this purpose in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988 and any person with whom any relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Take-overs and Mergers as for the time being current);

5.8.4 the expression "a Controlling Interest" means shares conferring in the aggregate fifty per cent or more of the total voting rights conferred by all the shares in the capital of the Company for the relevant time being in issue and conferring the right

to vote at all General Meetings;

5.8.5 the expression "the Prescribed Price" means in relation to Ordinary Shares a price per share at least equal to the highest price per share which the Buyer is proposing to pay or has within the preceding twelve months paid for Ordinary Shares in the capital of the Company and for this purpose any other payment or benefit (whether in cash or otherwise) which the Buyer is proposing to pay or provide or has paid or provided to any person and which, having regard to the substance of the transaction as a whole, can reasonably be regarded as additional consideration for the sale by such person of shares in the capital of the Company shall be treated as part of the highest price as aforementioned;

5.8.6 any such offer as is referred to in article 5.7 above must be made in writing, must be open for acceptance for a period of not less than 30 days and must not be subject to any condition save, if the Buyer so wishes, for a condition that if acceptance for less than a specified percentage of the shares for which such an offer is made are not obtained by a stated date then the offer shall lapse and be deemed to have been withdrawn and the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has again made such an offer as is referred to in article 5.7.

5.8.7 All other regulations of the Company relating to the allotment, issue, conversion or transfer of shares and, in the case of transfers, the rights to registration of transfers shall be read subject to the provisions of this Article.

5.9 For the purpose of:-

5.9.1 ensuring that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this Article (and to that end for the purpose of determining whether one person is considered an Associate of another); or

5.9.2 ensuring that a price offered or proposed to be offered for any shares is the Prescribed Price;

the Directors may from time to time require any member to furnish the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may deem relevant for such purposes.

5.10 If any member shall be adjudged bankrupt his or its trustee in bankruptcy shall be bound forthwith to give to the Company a Transfer Notice in respect of all the shares registered in the name of the bankrupt member and in default of such Transfer Notice being given within one month of bankruptcy the trustee in bankruptcy shall be deemed to have given such notice at the expiration of the said period of one month and the provisions hereof shall have effect accordingly. Upon the appointment of an administrative receiver or upon the commencement of any liquidation or any voluntary winding up or winding up by the Court (within the meaning of the Insolvency Act 1986) of any corporate member, such member shall be deemed to have given immediately prior to such commencement or appointment (as the case may be) a Transfer Notice in respect of all shares registered in its name. For the purposes of these Articles reference to the proceedings referred to above shall be deemed to include reference to any substantially equivalent or analogous proceedings under the law of any jurisdiction in which the Member concerned is domiciled resident incorporated or carries on business. Any Member to whom this Article applies shall advise the Directors of the occurrence of any event mentioned herein within 7 days of such occurrence.

5.11 Any member may waive his right to receive a notice from the Company under the provisions hereof in respect of any proposed transfer and upon so doing shall cease to have any right of pre-emption in respect of the shares concerned under this Article 6 and if all the members entitled waive their rights to such notice the provisions of this Article 6 shall not apply and the Directors of the Company shall (subject to this Article 5.11) be bound to register a transfer of the shares concerned as a permitted transfer.

5.11.1 The Directors shall refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by the provisions of this Article 6 and save as provided herein the Directors shall register any transfer so made or permitted.

5.11.2 The Directors may refuse to register the transfer of a share on which the Company has a lien.

5.11.3 The Directors may refuse to register a transfer unless:

- (a) it is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of shares; and
- (c) it is in favour of not more than four transferees.

5.11.4 No share shall be transferred to any infant, bankrupt or person of unsound mind.

5.12 The Directors shall be entitled to require any member or person seeking to be registered as a member to furnish to the Company such information and evidence as the Directors may reasonably think fit for the purposes of enabling the Directors to decide whether or not a transfer or proposed transfer is one made pursuant to or permitted by these Articles.

6. VARJATION OF RIGHTS

The special rights attached to the Ordinary Shares, the A Shares, the B Shares or the Preference Shares respectively may in any case, whether or not the Company is or is about to be wound up, be varied or abrogated in accordance with Section 125 of the Act.

7. PROCEEDINGS AT GENERAL MEETINGS

7.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Unless there is only one member entitled to attend and vote at the relevant time (in which event such member shall be a quorum), two members present in person or by proxy or authorised representative (including at least one holder of Ordinary Shares, and one holder of Preference Shares if the general meeting takes place before Conversion or one holder of A Shares and one holder of B Shares if the general meeting takes place after Conversion) shall, subject to Article 7.2 below, be a quorum for all purposes.

7.2 If a quorum is not present within half an hour for the time appointed for a meeting the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the directors may determine; and if at the adjourned meeting a quorum is not present within half an hour from the time appointed therefor then the members present in person or by proxy or authorised representative at such adjourned meeting shall be a quorum.

8. VOTES OF MEMBERS

8.1 The following sentence shall be added at the end of Regulation 59 of Table A:

"A proxy need not be a member of the Company".

8.2 A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy or by authorised representative and entitled to vote. Regulation 46 of Table A shall be modified accordingly.

9. DIRECTORS

9.1 Unless and until otherwise determined by the Company by ordinary resolution the Directors shall be not less than two and not more than

seven in number. Any director may be an individual or a body corporate.

9.2 The holder or holders of the majority of the Ordinary Shares or the A Shares (as the case may be) for the time being in issue may at any time and from time to time by a memorandum signed by such holder or holders or being a body or bodies corporate signed by a director or other person duly authorised in that regard on its or their behalf respectively, nominate up to three people to be directors (each an "A Director") and each such nominee shall be appointed and retain office as an A Director subject to the receipt and maintenance of all requisite regulatory clearances and approvals and subject to the consent of the holder or holders of a majority of the Preference Shares or the B Shares (as the case may be) for the time being in issue (which consent shall not be unreasonably withheld). Such holder or holders of Ordinary Shares or A Shares (as the case may be) may by similar memorandum remove any A Director so appointed.

9.3 The holder or holders of the majority of the Preference Shares or the B Shares (as the case may be) for the time being in issue may at any time and from time to time by a memorandum signed by such holder or holders or being a body or bodies corporate signed by a director or other person duly authorised in that regard on its or their behalf respectively nominate up to three people to be directors (each a "B Director") and each such nominee shall be appointed and retain office as B Director subject to the receipt and maintenance of all requisite regulatory clearances and approvals and subject to the consent of the holder or holders of a majority of the Ordinary Shares or A Shares (as the case may be) for the time being in issue (which consent shall not be unreasonably withheld). Such holder or holders of Preference Shares or B Shares (as the case may be) may by similar memorandum remove any B Director so appointed.

9.4 A Director or any other person as is mentioned in Regulation 65 may act as an alternate Director to represent more than one Director and an alternate Director shall be entitled at any meeting of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as Director and for the purposes of article 16 shall be

deemed to be the Director in respect of each of the Directors whom he represents save when he is the only Director present. In regulation 65 of Table A the words "approved by resolution of the Directors" shall be omitted.

9.5 In regulation 67 of Table A all words after "his appointor ceases to be a Director" shall be omitted.

9.6 A Director and alternate Director shall not require a share qualification.

9.7 A Director and an alternate Director in the absence of his appointor shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company, notwithstanding that he is not a member.

10. POWERS AND DUTIES OF DIRECTORS

A Director may vote at any meeting of Directors or any committee of Directors on any resolution notwithstanding that it in any way concerns or relates to a matter in which he has an interest, directly or indirectly of any kind whatsoever and shall be counted in the quorum present at the meeting notwithstanding such interest, provided that such interest will have been fully disclosed in writing to the Board prior to the voting occurring.

11. DIRECTORS HOLDING EXECUTIVE OFFICE

11.1 The Directors may appoint any one or more of their body to be holder of any executive office for such period and on such terms and with or without such title or titles as they think fit. A Director holding any such office (whether appointed as aforesaid or otherwise) shall (subject to the terms of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he shall vacate the office of Director or (subject as aforesaid) if the Directors resolve that his term of office as holder of such executive office as aforesaid be determined, his appointment as

such shall ipso facto determine but without prejudice to any claim for damages for breach of contract of service between the Director and the Company.

- 11.2 A Director appointed to any such office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as the Directors may determine.

12. DISQUALIFICATION OF DIRECTORS

The office of a Director shall be vacated:-

- 12.1 if by notice in writing to the Company he resigns the office of Director;
- 12.2 if he shall for more than 6 months have been absent without permission of the Directors from meetings of the Directors held during that period;
- 12.3 if he becomes bankrupt or enters into any arrangement with his creditors generally;
- 12.4 if he is prohibited from being a Director by an order made under any provision of the Act;
- 12.5 if he becomes of unsound mind;
- 12.6 if he is removed from office under these Articles;
- 12.7 if any registered status of such director with any regulatory body governing the Company shall be terminated, withdrawn or adversely restricted;
- 12.8 he shall be convicted of any criminal offence (other than a traffic offence).

13. PROCEEDINGS OF DIRECTORS

- 13.1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. Two Directors (including at least one A Director and one B Director) shall be a quorum (unless there are no persons appointed as such, or only A Directors or only B Directors, in which event any two Directors shall be a quorum).
- 13.2 In the event that any duly convened meeting of the Directors of the Meeting is not so quorate or if during the meeting such a quorum ceases to be present the meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day and at such other time and place as the Directors may agree in writing) and at such adjourned meeting the quorum shall be any two Directors.
- 13.3 Unless otherwise agreed by not less than three quarters in number of the Directors for the time being in any particular case at least three clear days' notice in writing shall be given to each Director of every meeting of the Directors. Each such notice shall contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and be accompanied by any relevant papers for discussion at such meeting. Unless all the Directors (or their alternates) for the time being are present at a meeting no business or resolution shall be transacted or passed at that meeting except as was fairly disclosed in the agenda for such meeting.
- 13.4 If at any time there are fewer A Directors than B Directors or B Directors than A Directors, then on a vote of the Directors, those A Directors or B Directors who are fewer in number shall collectively have and be entitled to cast the same number of votes as those A Directors or B Directors who are greater in number collectively have or are entitled to cast, the intention being that the number of votes of the A Directors and the B Directors respectively shall at all times be equal.

14. CAPITALISATION

The following shall be added to Regulation 110 of Table A:-

"(e) Any shares allotted pursuant to this Regulation to the holders of Ordinary Shares shall be Ordinary Shares, to the holders of A Shares shall be A Shares and to the holders of B Shares shall be B Shares."

15. INDEMNITY

To the extent not avoided by the provisions of the Act every Director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto and, in particular, but without prejudice to the generality of the foregoing, shall be indemnified out of the assets of the Company against 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 in connection with any application under the Act in which relief is granted to him by the Court. The Company may exercise all powers permitted under the Act to take out insurance for or in respect of Directors of the Company.

16. NOTICES

The following regulations of Table A shall apply as amended by this Article:-

- 16.1 the last sentence of regulation 112 shall be deemed deleted;
- 16.2 in regulation 116 there shall be deemed deleted the words "within the United Kingdom";
- 16.3 regulation 32 shall be deemed to be prefaced by the words "Subject to the provisions of these Articles";

16.4 regulation 2 shall be deemed to be prefaced by the words
"Subject to the provisions of these Articles and";

16.5 the third and fifth sentences of Regulation 88 shall be deemed
deleted.