

THE COMPANIES ACTS 1985-1989

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of


Line Management Group Limited
(‘the Company’)


(passed on 29 October 2000)

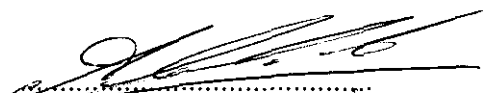
We, the undersigned, being the holders of the entire issued share capital of the Company entitling the holder to attend and vote at general meetings of the Company **hereby resolve:-**

SPECIAL RESOLUTION

‘That the new Articles of Association in the form attached to this resolution be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.’


.....
David George


.....
Nigel Rowe


.....
Alan Clarke


.....
Lesley George


.....
Line Management Group


.....
David Bass

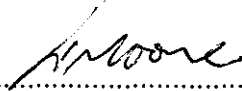




.....
Daniel Burch



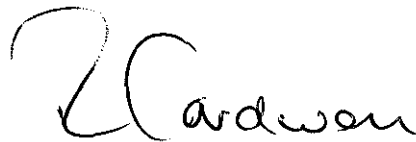
.....
Christopher Carpenter



.....
Kevin Moore




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Mark Millson



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Robert Cardwell



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Tim Kennedy



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Peter Rodel

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

OF

LINE MANAGEMENT GROUP LIMITED¹

(Adopted by Special Resolution passed on
the [27.10] 2000)

DEFINITIONS

1. 1.1 Unless the context otherwise requires in the interpretation of these Articles the following words and expressions shall bear the meanings set opposite them
- | | |
|----------------|---|
| ‘the Act’ | means the Companies Act 1985 (as amended by the Companies Act 1989); |
| ‘A’ Shares’ | means the ‘A’ Ordinary Shares of 10p each in the capital of the Company; |
| ‘B’ Shares’ | means the ‘B’ Ordinary Share of 10p each in the capital of the Company; |
| ‘Shares’ | means any or all of the Shares in the capital of the Company including the ‘A’ Shares and the ‘B’ Shares; |
| ‘Shareholders’ | means the holders of any Ordinary Shares. |
- 1.2 Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles. The singular shall include the plural and vice versa. The expression ‘Shareholder’ includes his personal representatives.

PRELIMINARY

2. The Regulations contained in Table A in the Schedule to the Companies (Tables A-F)

¹ By a special resolution dated 2 January 1996 the Company changed its name from Line Management Communications Services Limited to Line Management Group Limited

Regulations 1985 shall apply to the Company save in so far as they are excluded or varied hereby and with these Articles shall constitute the Articles of Association of the Company.

3. Regulations 24, 29-31, 41, 73-80 (inclusive), and 95, of Table A shall not apply to the Company.

SHARE CAPITAL

4. The share capital of the Company at the date of the adoption of these Articles is £100,000 divided into 247,615 'A' Shares of 10p each, 220,550 'B' Shares of 10p each and 531,835 Ordinary Shares of 10p each.
5. Save as otherwise specifically provided in these Articles the 'A' Shares the 'B' Shares and the Ordinary Shares shall rank pari passu but shall constitute separate classes of shares.
6.
 - 6.1 Subject to the provisions of these Articles, all unissued Shares as at the date of the adoption of these Articles shall be at the disposal of the directors, and they may allot, grant options over or otherwise deal with or dispose of the same to such persons, at such times, and generally upon such terms as they think fit. The authority granted to the directors pursuant to this Article shall expire five years after the date of the adoption of these Articles.
 - 6.2 The provisions of Section 89(1) and Section 90(1) to (6) inclusive of the Act shall not apply to the Company.
 - 6.3 Subject to the Act, any Shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company or the Shareholders, are liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may by special resolution agree, and whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise.

LIEN

7. In addition to the lien conferred by Regulation 8 of Table A the Company shall have a first and paramount lien on every share (whether or not a fully paid share) for all monies due or owing (whether presently payable or not) by a Shareholder or his estate to the Company. The lien conferred above and by Regulation 8 of Table A shall attach 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 two or more joint holders.

CALLS

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

TRANSFER OF SHARES

9. 9.1 No transfer of any Shares or any interest in Shares shall be made unless the following provisions of this Article 9 are complied with in respect of the transfer.
- 9.2 A member, or person entitled to Shares by way of the death or bankruptcy of a member, who wishes to transfer Shares or any interest in Shares (**'the Vendor'**) shall give to the Company notice in writing (**'the Transfer Notice'**). A Transfer Notice shall constitute the Directors the Vendor's agents for the sale of the Shares specified in it (**'the Sale Shares'**) at a price (**'the Sale Price'**) which is agreed on by the Vendor and the Directors or, in the absence of agreement, which the auditors of the Company (acting as experts and not as arbitrators) certified to be in their opinion the fair value of the Sale Shares, as at the date of the Transfer Notice, as between a willing seller and a willing buyer contracting on arms length terms, having regard to the fair value of the business of the Company and its subsidiaries (if any) as a going concern but without taking into account (if it be the case) that the Sale Shares constitute a minority interest.
- 9.3 The auditors' certificate shall be binding upon all parties.
- 9.4 If the auditors are asked to certify the Sale Price the Company shall within seven days of the issue of the auditors' certificate send a copy to the Vendor. The Vendor shall be entitled, by notice in writing given to the Company within fourteen days of the copy being sent to him, to withdraw the Transfer Notice. The cost of obtaining the certificate shall be borne by the Vendor. A Transfer Notice shall not otherwise be revocable without the consent of a majority of the directors of the Company who may impose such conditions upon any consent as they think fit, including a condition that the Vendor bears all associated costs.
- 9.5 Upon the Sale Price being agreed or certified and provided the Vendor does not withdraw the Transfer Notice in accordance with Article 9.4, the Directors shall either:
- (a) procure that the Company purchases the Sale Shares at the Sale Price; or
 - (b) offer the Sale Shares to the holders of the remaining shares at the Sale Price pro rata to their existing holdings.

The offer to Shareholders shall be open for a period of twenty eight days from the date of the Notice (**'the Acceptance Period'**). If the offerees within the Acceptance Period apply for all or any of the Sale Shares the Directors shall allocate the Sale Shares or such of the Sale Shares as are applied for amongst the applicants for any of the Sale Shares, in the case of competition in proportion to their then existing holdings of shares (as nearly as may be without involving fractions or increasing the number allocated to any applicant beyond that applied by him).

- 9.6 If the Directors elect that the Company should purchase the Sale Shares in accordance with the provisions of Article 9.5(a) above then if the Company shall have failed, other than as a result of default by the Vendor, to have completed such purchase within thirty five days from the date upon which the Sale Price is agreed or certified then the directors shall be obliged, on the expiry of such period, to offer the Shares for sale to the holders of the remaining shares in the Company in accordance with the provisions of Article 9.5(b) above.
- 9.7 If within the Acceptance Period applications are received from one or more of the other holders (**'the Transferees'**) in respect of all or any of the Sale Shares the directors shall promptly give notice in writing (**'the Acceptance Notice'**) to the Vendor specifying the number of Sale Shares applied for and the place and time (being not earlier than seven and not later than twenty eight days) after the date of the Acceptance Notice at which the sale shall be completed.
- 9.8 The Vendor shall be bound to transfer the Sale Shares, or such of the Sale Shares as are applied for, to the Transferees at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares (or, if some only of the Sale Shares have been applied for, the corresponding proportion of the Sale Price for all the Sale Shares) shall be made to the directors as agents for the Vendor. If the Vendor fails to transfer the Sale Shares, or such of the Sale Shares as are applied for, or to execute any agreement with the Company in the case of a purchase of the Sale Shares by the Company, the chairman of the Company or some other person appointed by the directors shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor, transfers of the Sale Shares, or such of the Sale Shares as are applied for to the Transferees against payment of the Sale Price, or the corresponding proportion of the Sale Price, to the Company or, in the case of a purchase of the Sale Shares by the Company with full power to sign and deliver, in the name and on behalf of the Vendor, any contract with the Company for the purchase of the Sale Shares. On payment to the Company, the Transferees shall be deemed to have obtained a good discharge for this payment. On execution and delivery of the transfers the Transferees shall be entitled to require their name to be entered in the register of members as holders by transfer of the Sale Shares or such of the Sale Shares as are applied for. If any Sale Shares are transferred to the holder of Shares of another class, they shall

automatically be redesignated, on registration of the transfer, as Shares of the other class unless all the issued Shares of the Company would then be of only one class. Irrespective of whether the purchase is made by the Company or by Transferees, the Company shall pay the price into a separate bank account in the Company's name and hold it in trust for the Vendor, after deducting any fees or expenses falling to be borne by the Vendor. After the names of the Transferees have been entered in the register of members in purported exercise of the above powers, the validity of the proceedings shall not be questioned by any person.

- 9.9 If the offer of the Sale Shares at the Sale Price is declined or is accepted in part only within the Acceptance Period, the Vendor shall not for a period of 3 months be permitted to transfer or give a Transfer Notice in respect of the Sale Shares or such of them as remain unsold (as the case may be) to any person, save as permitted or required by Articles 9.11 - 9.15 and 9.17. The restrictions contained in this Article 9.9 shall not apply and the Vendor shall be at liberty during the period of six months following the expiry of the Acceptance Period to transfer all or such of the Sale Shares as remain unsold to any person if the following conditions are satisfied:
- (a) the price is not less than a pro rata proportion of the Sale Price; and
 - (b) the directors are satisfied that these Sale Shares are being transferred in pursuance of a bona fide sale to the purchaser for the consideration stated in the transfer without any deduction, rebate or allowance of any kind; and
 - (c) the Vendor is the personal representative of a deceased member in respect of whose Shares a Transfer Notice has been deemed to be given pursuant to Articles 9.12(b) and 9.13; and
 - (d) the directors are satisfied that the Vendor must sell all the Sale Shares in order to satisfy any inheritance or other tax liability of the deceased member's estate; and
 - (e) the directors approve the intended purchaser such approval not to be unreasonably withheld or delayed.
- 9.10 Notwithstanding the above, the directors may decline to register a transfer of a share on which the Company has a lien.
- 9.11 The restrictions on transfer contained in this Article shall not apply to the following (provided that it is proved in good faith and to the reasonable satisfaction of the directors that the transfer falls within one of these exceptions):
- (a) a transfer approved in writing by all members;

- (b) a transfer by a corporate member (**'the Transferor Company'**) to an associated company (**'the Transferee Company'**) (that is to say, a holding company or a wholly owned subsidiary of the Transferor Company and any other wholly owned subsidiary of any holding company). If the Transferor Company and the Transferee Company ceased to be associated, the Transferee Company shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all Shares transferred to it unless it retransfers the Shares to the Transferor Company;
- (c) A transfer by the trustees for the time being of any trust established by the Company for the benefit of the employees and/or directors of the Company and/or any company in the Company's group (**'EBT Trustees'**); and
- (d) a transfer by any member to the EBT Trustees.

Any 'A' Shares or 'B' Shares transferred to the EBT Trustees pursuant to Article 9.11(d) shall upon transfer cease to be 'A' Shares or 'B' Shares (as the case may be) and shall instead convert to the same number of Ordinary Shares but, for the avoidance of doubt, any Shares transferred pursuant to Articles 9.11(a) - (c) shall remain Shares of the same class as they were immediately prior to such transfer or disposition.

9.12 For the purposes of this Article the following shall be deemed to be a **'Relevant Event'**:

- (a) a corporate member entering into liquidation (other than a members' voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrative receiver or a receiver being appointed over any of its assets or an administration order being made against it;
- (b) the death of a member;
- (c) the bankruptcy of a member; and
- (d) an employee (other than Nigel Rowe or David George) who is a member ceasing to be employed by the Company for any reason.

9.13 If a Relevant Event occurs in relation to a member, he shall be deemed to have given a Transfer Notice in respect of all shares of each class held by him or by any nominee for him immediately prior to the event. Article 9.4 shall not apply insofar as it entitles the Vendor to withdraw the Transfer Notice. Where a member gives a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him he shall not be entitled to withdraw it.

- 9.14 Any Transfer Notice deemed to have been given under Articles 9.11(b), 9.13 (save where the Relevant Event is the death of a member) or 9.15 shall be deemed to contain a provision binding on the Company that unless all the Sale Shares comprised in it are sold by the Company pursuant to this Article none shall be sold.
- 9.15 For the purpose of ensuring that a transfer of shares is duly authorised, or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given, the directors may require a member, the legal representatives of a deceased member, the liquidator of a corporate member or a person named as transferee in a transfer lodged for registration to furnish to the Company such information and evidence as the directors think fit regarding any matter they deem relevant to that purpose. If the information or evidence is not furnished to the satisfaction of the directors within a reasonable time after the request, the directors shall be entitled to refuse to register the transfer in question. In a case where no transfer is in question or if the information or evidence disclosed is that a Transfer Notice ought to be given in respect of any shares, the directors shall be entitled within a reasonable time to require, by notice in writing given to the registered holder, that the Transfer Notice be given in respect of the shares concerned. If the directors require that a Transfer Notice be given and it is not duly given in one month from the date of it being required, the Transfer Notice shall be deemed to have been given at the expiration of the month and the provisions of this Article shall take effect accordingly.
- 9.16 Subject to the provisions of Article 9.15 the directors shall register any transfer made pursuant to or permitted by this Article but shall refuse to register any other transfer.
- 9.17 If a member or members together holding not less than 50.01% of the issued Shares (**'Majority Members'**) wish to sell the Shares held by them to a purchaser who is willing to purchase the entire issued share capital of the Company for a price representing no less than market value, they shall be entitled by notice in writing to require the other members to sell their respective holdings of Shares to such purchaser at such price. In such circumstances the remaining members shall have the corresponding right to require the Majority Members to procure that such purchaser purchases the Shares held by the remaining members at such price and the Majority Members shall have no right to transfer their Shares to the proposed purchaser unless and until the proposed purchaser acquires the Shares held by the remaining members such that the entire issued share capital of the Company is purchased for a price representing not less than market value. The provisions of Article 9.8 shall mutatis mutandis apply if any member defaults in respect of any obligation to transfer Shares contained in this Article 9.17. In determining whether the price represents market value the members shall be bound by the opinion of the auditors of the company for the time being (in the absence of fraud or manifest error) who shall also determine any issue arising as

to the apportionment of the price between the members according to the respective values of their holdings of Shares and whose costs shall be borne as they shall decide.

GENERAL MEETINGS

10. A poll may be demanded by any member present in person or by proxy and Regulation 46 of Table A shall be deemed to be modified accordingly.
11. Any such resolution in writing as is referred to in Regulation 53 of Table A may, in the case of a corporation be signed on its behalf by the director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

DIRECTORS

12.
 - 12.1 The holders of the 'A' Shares may from time to time by a majority appoint any person to be a director of the Company, which director is hereinafter called a 'A' Director.
 - 12.2 The holders of the 'B' Shares may from time to time by a majority appoint any person to be a director of the Company, which director is hereinafter called a 'B' Director.
 - 12.3 Any director appointed pursuant to Article 12.1 and 12.2 shall hold office subject only to the provisions of Regulation 81(a) to (d) inclusive of Table A and may at any time be removed from office by a majority of the holders of the class of shares by whom he was appointed.
 - 12.4 Any appointment of a director pursuant to Article 12.1 or Article 12.2 and any removal of a director pursuant to Article 12.3 shall be in writing served on the Company by being sent to or left at the registered office of the Company and signed by or on behalf of the holders of a majority of the issued 'A' Shares or the issued 'B' Shares as the case may be.
13. The directors may be paid all travelling, hotel and other expenses wholly exclusive and necessarily incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company.
14.
 - 14.1 Each director shall have the power to nominate another director or any other person to act as alternate director in his place, at any meeting of the directors at which he is unable to be present, and at his absolute discretion to remove such alternative director. Any such appointment or removal shall be effected in like manner as provided in Article 12.4. The same person may be appointed as the alternate director of more than one director. On such appointment being made the alternate director shall (except as regards the power to appoint an alternate) be

subject in all respects to the terms and conditions existing with reference to the appointing directors. Each alternate director, whilst acting in the place of an absent director, shall exercise and discharge all the functions, powers and duties of the director he represents.

- 14.2 If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director, his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present.
15. A director who, pursuant to Regulation 85 of Table A has declared at a meeting of the directors the nature of his interest in a contract, proposed contract or arrangement with the Company, shall be entitled to vote in respect of that contract, proposed contract or arrangement, or upon any matter arising thereat and if he shall do so, his vote shall be counted, and he may be taken into account in ascertaining whether or not a quorum is present at the meeting of the directors or the committee at which the vote is taken.
16. The directors shall have power to appoint a committee for such period and for such purposes and on such terms as they shall decide. Subject thereto a committee may meet and adjourn as it thinks proper.
17. All or any one or more of the directors or any of the members of the committee of directors, may participate in a meeting of the directors or the committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time or by a succession of telephone calls to directors from the chairman of the meeting following disclosure to them of all material points. Participating by such means shall constitute presence in person at a meeting. The meeting shall be deemed to have occurred at the place where most of the directors participating were present or, if there was no such place, where the chairman of the meeting was present.
18. Unless otherwise agreed in writing by the Shareholders in any particular case at least two working days' notice in writing shall be given to each director of every meeting of the directors.
19. The quorum for meetings of directors shall be such number of directors as they may from time to time determine.
20. Notice of a meeting of the directors shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting. No business which is not within the direct scope of the agenda shall be put to the vote at such meeting unless all the directors present otherwise agree.
21. Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors as soon as reasonably practicable after the meeting shall have been held.

22. No person shall be or become incapable of being appointed a director by reason of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.
23. 23.1 The directors may from time to time appoint one or more of their body to hold executive office in the management of the business of the Company including the office of managing director, for such fixed term or without limitation as to period and on such terms as to think fit and (subject to the provisions of any agreement entered into in any particular case and without prejudice to any claim for damages he may have for breach of any such agreement) may by agreement remove or dismiss him or them from such office and appoint another or others in his or their place or places. A person so appointed shall (subject to the provisions of Article 23.2 and without prejudice to any claim for damages for breach of any agreement between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the other directors of the Company if he ceases to hold the office of director from any cause he shall (without prejudice as aforesaid) ipso facto and immediately cease to hold such executive office.
- 23.3 A director holding such executive office for a fixed period shall not be entitled to resign as a director of the Company during that period and Regulation 81(d) of Table A shall be deemed to be modified accordingly.

INDEMNITY

24. Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which in such capacity he may sustain or incur in or about the execution of the duties of his office or otherwise 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 in connection with any application under Section 727 of the Act, in which relief is granted to him by the court and no director or other officer shall be liable for any loss damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto provided that this Article shall only have effect insofar as provisions are not avoided by Section 310 of the Act.

WINDING-UP

25. In a winding-up the liquidator may, with the sanction of an extraordinary resolution, distribute all or any of the assets in specie among the holders in such proportions and manner as may be determined by such resolution provided always that if any such distribution is proposed to be made otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed pursuant to Section 110 of

the Insolvency Act 1986.