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**AUTOMOTIVE DISTRIBUTORS LIMITED**  
**Minutes of a Meeting of the Board of Directors**  
**held at 9 Wheelbarrow Park, Pattenden Lane, Marden**  
**on 23<sup>rd</sup> OCTOBER 2001 at am/pm 13.10**

**PRESENT:**

C.D. JEFFRIES  
M.A.R. HOOKWAY  
M.J. BUTCHER

**IN ATTENDANCE:** —



1. **Quorum**

Mr Jeffries took the Chair and declared that a quorum was present.

2. **Notice and Apologies**

It was noted that notice of the Meeting had been given to all Directors in accordance with the Articles of Association of the Company.

3. **Purpose of the Meeting**

It was reported that the Meeting had been convened to:

- (a) approve the transfer of shares (the "Shares") in the capital of the Company from Tatsumiya Kogyo Co Limited ("TMY Corporation") to Mr Y Haji;
- (b) propose the adoption of new Articles of Association of the Company; and
- (c) propose the cancellation of certain of the unissued shares and an increase in the share capital of the Company and grant the Directors authority to allot such shares.

4. **Documents produced to the Meeting**

GFDCOM 177958.01

The following documents were produced to the Meeting:

- (a) the proposed form of new Articles of Association;
- (b) a draft written resolution (the "**Written Resolution**"); and
- (c) draft consents from the holders of the "B" Redeemable Preference Shares and "C" Preference Shares to the Written Resolution (the "**Class Consents**").

5. **Approval of the documents**

After careful consideration of the Directors, who were of the opinion that the transfer of shares and adoption of new Articles of Association were in the best interests of the Company, IT WAS RESOLVED that:

- (a) the transfer of 6,432 ordinary shares of £1 each from TMY Corporation to Mr Y Haji be and is hereby approved and, subject to its being duly stamped, Mr Y Haji be entered into the Register of Members of the Company and any two Directors or a Director and the Secretary be authorised to issue a share certificate in respect of such shares; and
- (b) the terms of the Written Resolution and Class Consents be and they are hereby approved and they be recommended to the appropriate members of the Company (with copy of the proposed new Articles of Association attached to the Written Resolution).

6. **Filing**

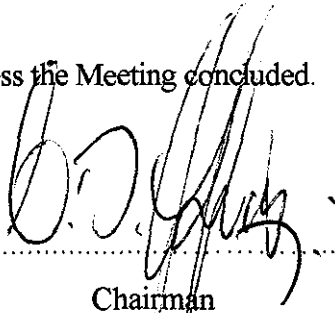
IT WAS RESOLVED that, subject to the Written Resolution being passed by the members, the Secretary be and is hereby instructed to arrange for:

- (a) filing with the Registrar of Companies within the time period prescribed by the

Act all documents which the Company and the Directors are required to deliver to the Registrar of Companies including a print of the resolution passed by way of Written Resolution.

7. **Conclusion**

There being no further business the Meeting concluded.



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Chairman

**THE COMPANIES ACT 1985 AS AMENDED**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

- OF -

**AUTOMOTIVE DISTRIBUTORS LIMITED**

**Interpretation**

In these Articles:-

|                         |   |
|-------------------------|---|
| "the Companies Acts"    | shall have the meaning ascribed to it in the Companies Act 1985 as amended;   |
| "Clear Days"            | in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.  |
| "the Directors"         | the directors for the time being of the Company as a body, or a quorum of the Directors present at the meeting of the Directors.  |
| "holder"                | in relation to shares means the member whose name is entered in the register of members as the holder of those shares.  |
| "member"                | any holder for the time being of shares in the capital of the Company of whatever class.  |
| "the 1985 Act"          | means the Companies Act 1985 as amended;  |
| "Redeemable Preference" | the "B" Redeemable Preference Shares, the "C" Preference Shares and the "D" Redeemable Preference Shares collectively (as if the same constituted one class)  |
| "Ruling Rate"           | means the sterling equivalent of any currency calculated by reference to the average of the spot rates of exchange at which, on or about 11am on the relevant day, National Westminster Bank Plc could have sold and bought that currency for sterling in the London foreign exchange market; |
| "Sterling"              | the lawful currency of the United Kingdom of Great Britain and Northern Ireland   |

"Table A"

means Table A as prescribed by regulations made under Section 8 of the 1985 Act in force as at the date of adoption of these Articles.

"Yen"


the lawful currency of Japan

### **Preliminary**

1. The Company is a private company and the regulations contained or incorporated in Table A shall apply to the Company except to the extent that they are varied by or are inconsistent with these Articles which together with the said regulations shall constitute the Articles of Association of the Company.
2. The following regulations of Table A shall not apply to the Company: 24, 30, 31, 64, 73 to 77 inclusive, 89, 93, 101 and 118.

### **Share Capital**


3. The authorised share capital of the Company at the date of adoption of these Articles is £780,540 and Yen 261,430,250 divided into 120,790 Ordinary Shares of £1 each, 575,000 "B" Preference Shares of Yen 100 each, 1,055,000 "C" Preference Shares of Yen 100 each and 684,000 "D" Redeemable Preference Shares of Yen 100 each.
- 4.1 Subject to the provisions of sub-article (2) below and to any directions which may be given by the Company in general meeting, the Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of Section 80(2) of the 1985 Act) and without prejudice to the generality of the foregoing any shares unissued at the date of adoption of these Articles and any shares hereafter created shall be under the control of the Directors, who may allot, grant options or create subscription or conversion rights over, deal with or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount. The Directors may from time to time allot, grant options or create subscription or conversion rights over, deal with or otherwise dispose of any shares at a price to be agreed being not less than market value.

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- 4.2 The maximum nominal amount of share capital which the Directors may allot, grant options or create subscription or conversion rights over, deal with or otherwise dispose of in accordance with this article shall be £2,720,540 and Yen 68,400,000 or such other amount as shall be authorised by the Company in general meeting.
- 4.3 The authority conferred on the Directors by this article shall expire on the fifth anniversary of the date of adoption of these Articles.
5. The provisions of Sections 89 (1) and 90 (1) to (6) of the 1985 Act shall not apply to the Company.

### **Share Rights**

The rights attaching to the respective classes of shares in the capital of the Company shall be as follows:

6. As regards income:
- 6.1 in respect of any financial year of the Company the profits of the Company for the time being available for distribution shall be applied (subject as provided in article 6.5 below):
- (1) first in paying to the holders of the "B" Preference Shares a fixed cumulative cash dividend (the "**B" Preference Dividend**") at the rate (exclusive of any associated tax credit) of seven and one half percent per share per annum; the "B" Preference Dividend shall accrue as from day to day from (and inclusive of) the date of issue of the "B" Preference Shares and shall become payable and be paid half-yearly on 1st April and 1st October in every year, the first such payment to be made on 1st April 1992 and to be in respect of the period from the date of issue of the "B" Preference Shares. The dividend payable on the "B" Preference Shares shall be paid in Yen. Without prejudice to the rights of the holders of such Shares hereunder, any amount not so paid shall be carried forward and become payable without any resolution of the Directors or of the Company in general meeting on the next date on which the "B" Preference Dividend is payable in priority to the "B" Preference Dividend payable on that date; and

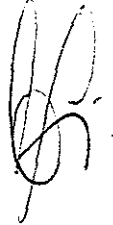


(2) next in paying to the holders of the "C" Preference Shares as a class a cumulative cash dividend ("the "C" Dividend") at the rate (exclusive of the associated tax credit of seven and one half percent per annum of the amount paid up per share). The "C" Dividend shall accrue from day to day and shall become payable and be paid half-yearly on 1st January and 1st July in every year, the first such payment to be made on 1st January 1994 in respect of the period commencing on the date of issue of the "C" Preference Shares. Without prejudice to the rights of the holders of such Shares hereunder any amount not so paid shall be carried forward and become payable without any resolution of the Directors or of the Company in general meeting on the next date on which the "C" Dividend is payable in priority to the "C" Dividend payable on that date; and

(4) then in paying to the holders of the "D" Redeemable Preference Shares a fixed cumulative cash dividend (the "**D Redeemable Preference Dividend**") at the rate (exclusive of any associated tax credit) of five percent per share per annum; the "D" Redeemable Preference Dividend shall accrue as from day to day from (and inclusive of) the date of issue of the "D" Redeemable Preference Shares and shall become payable and be paid annually on 31st October in every year, the first such payment to be made on 31st October 2002 and to be in respect of the period from the date of issue of the "D" Redeemable Preference Shares. The dividend payable on the "D" Redeemable Shares shall be paid in Yen. Without prejudice to the rights of the holders of such shares hereunder any amount not so paid shall be carried forward and become payable without any resolution of the Directors or of the Company in general meeting on the next date on which the "D" Redeemable Preference Dividend is payable in priority to the "D" Redeemable Preference Dividend payable on that date; and

(5) otherwise shall be distributed in accordance with article 6.5 below.

6.2 So far as permitted by law, each "B" Preference Dividend, "C" Dividend and "D" Redeemable Preference Dividend shall become payable on the respective dates referred to without any recommendation or resolution of the Directors or the Company in general meeting (and notwithstanding anything to the contrary contained in these Articles).

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- 6.3 The Company shall procure that the profits of any subsidiary for the time being available for distribution shall be paid to it by way of dividend if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to pay in full any "B" Preference Dividend, "C" Dividend and "D" Redeemable Preference Dividend.
- 6.4 The Company may not distribute any profits in respect of any financial year in addition to those referred to in paragraph 6.1 unless and until the "B" Preference Dividend, "C" Dividend and "D" Redeemable Preference Dividend in respect of such year and, in addition, any arrears of all or any of the same have been paid in full. Subject thereto, any profits which the Company may determine to distribute in respect of any financial year shall be applied amongst the holders of the ordinary shares.
7. As regards capital: on a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied:
- 7.1 First, in paying to the holders of the "B" Preference Shares, an amount equal to the Subscription Price (inclusive of any premium) paid for such Shares together with a sum equal to all arrears and/or accruals of "B" Preference Dividends thereon to be calculated down to the payment date and to be payable whether or not such dividend has been declared or earned. All amounts payable to the holders of "B" Preference Shares shall be paid in Yen. If the amount available for distribution is insufficient to satisfy in full the entitlements of holders of "B" Preference Shares the amount (if any) available shall be apportioned between the "B" Preference Shares as a class proportionately to the aggregate amounts paid up (or credited as paid up) on all the Shares in each such class. For the purposes of the apportionment and payment, sterling shall be converted into Yen at the Ruling Rate on the date of distribution;
- 7.2 next and subject thereto, in paying to the holders of the "C" Preference Shares an amount equal to the subscription price (inclusive of any premium) paid for such shares together with a sum equal to all arrears and accruals of "C" Dividends thereon to be calculated down to the payment date and to be payable irrespective of whether or not such dividend has been declared or earned; and



7.3 next, in paying to the holders of the "D" Redeemable Preference Shares an amount equal to the nominal value of those shares, together with a sum equal to all arrears and/ or accruals of "D" Redeemable Preference Dividends on those shares be calculated down to the payment date and to be payable whether or not such dividend has been declared or earned. All amounts payable to the holders of "D" Redeemable Preference Shares shall be paid in Yen. If the amount available for distribution is insufficient to satisfy in full the entitlements of holders of "D" Redeemable Preference Shares, the amount (if any) available shall be apportioned between the "D" Redeemable Preference Shares as a class proportionately to the aggregate amounts paid up (or credited as paid up) on all the shares in such class. For the purposes of the apportionment and payment, sterling shall be converted into Yen at the Ruling Rate on the date of distribution;

7.4 next and subject to articles 7.1 to 7.3, the balance of such assets shall belong to and be distributed amongst the holders of the ordinary shares.

8. As regards redemption of the Redeemable Preference Shares:

8.1 The Company shall have the right at any time and from time to time to redeem such number, being not less than 5,000 or a multiple thereof or all of the Redeemable Preference Shares then in issue as it may, by not less than thirty days' previous written notice to the holders of the Redeemable Preference Shares, specify and any such notice (a "**redemption notice**") shall also specify the date fixed for redemption. On any redemption of Redeemable Preference Shares pursuant to this article, only monies available for such redemption shall unless the holders of the "B" Preference Shares and the "D" Redeemable Preference Shares agree or direct otherwise be applied (pro rata among the holders of such shares as if they constituted one class of share) in redemption of the "B" Preference Shares and "D" Redeemable Preference Shares.

8.2 The Company shall redeem the "D" Redeemable Preference Shares on the dates and in the quantities indicated in the following table:

|                   |  |
|-------------------|--|
| 31st October 2002 | 136,800 "D" Redeemable Preference Shares |
| 31st October 2003 | 136,800 "D" Redeemable Preference Shares |

|                   |  |
|-------------------|--|
| 31st October 2004 | 136,800 "D" Redeemable Preference Shares |
| 31st October 2005 | 136,800 "D" Redeemable Preference Shares |
| 31st October 2006 | 136,800 "D" Redeemable Preference Shares |

Provided that, if the Company has exercised its right to make any redemptions of "D" Redeemable Preference Shares pursuant to article (A) above, the number of the "D" Redeemable Preference Shares so redeemed shall be deemed to be applied in reducing pro-rata the number of "D" Redeemable Preference Shares falling to be redeemed on each of the remaining fixed dates for redemption referred to in this article. By way of reminder, the Company shall give a redemption notice in relation to each redemption of "D" Redeemable Preference Shares to be made pursuant to this article. Subject to the rights of the holders of the "D" Redeemable Preference Shares under these Articles, any partial redemption of "D" Redeemable Preference Shares shall be made amongst the holders of the "D" Redeemable Preference Shares (as nearly as may be) falling due for redemption on the fixed dates referred to in this article pro rata according to their respective holdings.

- 8.3 The Company shall (subject to the provisions set out below) prior to any application being made to the Council of the Stock Exchange or any like authority for a Listing or not later than 21 days after the provisions of article 23 have taken effect (whichever of such events first occurs) redeem all of the "D" Redeemable Preference Shares then in issue and the Company shall give to the holders of the "D" Redeemable Preference Shares not less than fourteen days prior written notice of the date on which any such redemption is to be made.
- 8.4 Upon or prior to any date upon which "D" Redeemable Preference Shares are to be redeemed, the holder of the "D" Redeemable Preference Shares concerned shall be bound to deliver to the Company at its registered office the certificates for such of the shares concerned as are held by him in order that the same may be cancelled. Subject to the provisions of the Act and to such delivery, upon the due redemption date the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register of Members of the Company in respect of such shares) an amount of 100 Yen for each "D" Redeemable Preference Share. If any certificate so delivered to the Company includes any "D" Redeemable Preference Shares not redeemable on the relevant date of redemption, a fresh certificate for such "D" Redeemable Preference Shares shall be issued to the holder or holders delivering such certificate to the Company.

- 8.5 If any holder of "D" Redeemable Preference Shares, some or all of whose shares have become due for redemption, shall fail or refuse to deliver up the certificate for such shares, the Company may retain the redemption moneys until delivery of the certificate (or of any indemnity in respect of it in a form reasonably satisfactory to the Company) but shall thereupon pay the redemption moneys to such holder.
- 8.6 As from the due date for redemption of any Redeemable Preference Share, the "B" Preference Dividend, "C" Dividend or "D" Redeemable Preference Dividend on such share shall cease to accrue unless upon due presentation of the certificate relating to such share, payment of the full amount payable on redemption of such share shall not be made, in which event such dividend shall continue to accrue and be payable until payment of such full amount is made.
- 8.7 The holders of the "D" Redeemable Preference Shares shall be entitled by notice in writing to the Company to require redemption of all the "D" Redeemable Preference Shares then in issue immediately upon the happening of any one or more of the following events:
- (1) any dividend due in respect of the "D" Redeemable Preference Shares failing to be paid on the due date whether or not such dividend shall have been declared or earned or otherwise be in law capable of being paid by the Company; or
  - (2) any amount of the "D" Redeemable Preference Shares due for redemption hereunder failing to be redeemed on the due date for redemption whether or not sufficient profits or other funds are in law available for such redemption; or
  - (3) any event occurs or circumstances arise which (either alone or in combination with other events or circumstances) jeopardise the rights of the holders of the "D" Redeemable Preference Shares to redemption in accordance with these Articles;

in which event the provisions of this article 8 shall have effect in relation to such redemption mutatis mutandis save that the date of redemption shall be the date of such notice in writing.

8.8 If on any due date for redemption of "D" Redeemable Preference Shares the Company is prohibited, by reason of having insufficient distributable profits, from redeeming all or any of the "D" Redeemable Preference Shares then falling to be redeemed it shall redeem the same so soon thereafter as it is not so prohibited and for so long as such prohibition remains and such "D" Redeemable Preference Shares as aforesaid have not been redeemed the Company (notwithstanding any other provisions of these Articles) shall not pay any dividend save for the "B" Preference Dividend, the "C" Dividend, the "D" Redeemable Preference Dividend or make any other distribution of distributable profits.

9. As regards voting:

9.1 The holder of ordinary shares have the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

9.2 The holders of the Redeemable Preference Shares shall have the right to receive notice of and to attend and speak at all general meetings of the Company but shall not have (in that capacity) any right to vote at such meetings (whether in person or by proxy) unless both at the date of the notice convening the meeting and at the date of the meeting either:

- (1) any "B" Preference Dividend, "C" Dividend or "D" Redeemable Preference Dividend has become due for payment and has not been paid in full; or
- (2) some or all of the "D" Redeemable Preference Shares have become due for redemption and have not (for whatever reason) been redeemed;

and in either such event (but subject as provided in article 9.3 below) each such class of holders shall be entitled in that capacity (and, on a poll, by reference to their respective holdings of Redeemable Preference Shares) to vote at such meeting.

9.3 If by virtue of (but by virtue only of) the provisions of article 9.2 any holder of Redeemable Preference Shares would (but for this provision) have fifty percent or more of the voting rights conferred by all the shares in the capital of the Company at the relevant time then (unless such holder shall otherwise elect) the votes attributable to and exercisable in relation to the Redeemable Preference Shares held by such holder shall be restricted to the extent

that the aggregate number of votes which may be cast by such holder on a poll in respect of all his shares shall be forty-nine percent of the total voting rights conferred by all shares in the capital of the Company for the relevant time being in issue.

10. As regards class consents:

10.1 Except with such consent or sanction on the part of the holders of the Redeemable Preference Shares as is required for a variation of the special rights attached to such shares:

- (1) the Company shall not modify or vary the rights attaching to any class of shares in the Company;
- (2) the Company shall not pass any resolution for reducing its issued share capital or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or for reducing any uncalled liability in respect of partly paid shares;
- (3) the Company shall not make any distribution payment or return to members of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- (4) the Company shall not capitalise any undivided profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve;
- (5) neither the Company nor any subsidiary of the Company shall vary or permit any variation in its authorised or issued share capital or the creation or grant of any option or other rights to subscribe for shares or securities convertible into shares in the capital of the Company or any such subsidiary;
- (6) the Company shall not permit any subsidiary to issue (other than to the Company or to another wholly owned subsidiary) any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its equity shares capital nor shall

any disposal be made by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);

- (7) neither the Company nor any subsidiary of the Company shall dispose of the whole or a substantial part of its business, undertaking or assets;
- (8) the Company shall not alter its Memorandum of Association or these Articles; and
- (9) no resolution for the winding-up of the Company or any subsidiary of the Company shall be passed.

#### **Redemption or purchase by the Company of its own shares out of capital**

- 11. Subject to Sections 171 to 181 inclusive of the 1985 Act the Company shall be entitled to redeem or purchase the shares of the Company out of capital (within the meaning of Section 171 (2) of the 1985 Act).

#### **Lien, calls on shares and forfeiture**

- 12. Regulation 8 of Table A shall apply as if:-
  - 12.1 the words "(not being a fully paid share)" were omitted;
  - 12.2 there were inserted at the end of the first sentence the words "or otherwise owing to the Company by the holder thereof".
- 13. Regulation 12 of Table A shall apply as if the words "and except as agreed between the Company and any member in the case of the shares held by him" were inserted immediately after the words "terms of allotment".

#### **Transfer of shares**


- 14. The instrument of transfer of any share shall be executed by or on behalf of the transferor who shall be deemed to remain the holder of such share until the name of the transferee is

entered in the register of members in respect thereof and the Directors may refuse to register the transfer of a share (i) on which the Company has a lien or (ii) unless the certificate of such share and other evidence satisfactory to the Directors of the right to make the transfer is produced to the Directors (Regulation 23 of Table A shall be deemed modified accordingly).

15. The instrument of transfer of a share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
16. The Directors may refuse to register the transfer of any share:
  - 16.1 to a person of whom they do not approve;
  - 16.2 being a share which is not fully paid;
  - 16.3 on which the Company has a lien;
  - 16.4 unless:
    - (1) it is lodged at the office or at such other place in England 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;
    - (2) it is in respect of only one class of Shares; and
    - (3) it is in favour of not more than four transferees;
- 16.5 If they have reasonable grounds for believing that such share will or may be transferred to or become beneficially owned by a person carrying on business in competition with any business for the relevant time being carried on by the Company or any of its subsidiaries.

17. The Directors shall refuse to register the transfer of any share, not being such a transfer as is permitted under these Articles, purported to be made other than in accordance with or as permitted under article 21.
18. If, in relation to a transfer of a share, the transferor thereof is a party to any agreement between the Company and some or all of its members (being an agreement additional to these Articles) then the Directors may:
  - 18.1 require the transferee of such share to enter into a deed agreeing to be bound (to such extent as the Directors may reasonably stipulate) by the provisions of such agreement; and
  - 18.2 decline to register the transfer of such share unless and until the transferee has entered into such deed as aforementioned.
- 19.1 Subject to the above, a member may at any time transfer any share:
  - (1) to a Privileged Relation (as hereinafter defined) of such member; or
  - (2) to trustees to be held upon Family Trusts (as hereinafter defined); or
  - (3) if the member is a company to any holding or subsidiary company of that member or to any subsidiary company of any such member's holding company; or
  - (4) to a person who is the beneficial owner of such Share, provided that he has not become the beneficial owner thereof in circumstances where a Transfer Notice (as hereinafter defined) should have been but was not given; or
  - (5) with the prior consent in writing of the holders of not less than 90 percent of the issued Ordinary shares for the time being.
- 19.2 For the purposes of the foregoing sub-article (i) the expression "member" shall not include trustee(s) holding shares upon a Family Trust as hereinafter defined but where shares are held by such trustee(s):



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- (1) such shares may on any change of trustee(s) be transferred to the trustee(s) for the time being;
  - (2) such shares may at any time be transferred to any person to whom under this article 19 the same could have been transferred by the settler if he had been the holder thereof;
  - (3) if and whatever any such shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under this article (19) the trustee(s) shall be deemed to have given a Transfer Notice as defined in article 21) in respect of the shares in question if they shall not have given a transfer notice within 28 days of such.

19.3 For the purposes of this article:

- (1) the words "**Privileged Relation**" shall mean the grandfather or grandmother of the member any lineal descendant of such grandfather and grandmother or any person who is or has been married to any such grandfather or grandmother or to any such lineal descendant or any stepchild or adopted child of the member or of such grandfather or grandmother or of any such lineal descendant.
- (2) the expression "**Family Trust(s)**" shall, in relation to any member, mean trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomever made or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the member concerned or a Privileged Relation of such member and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the member concerned or a Privileged Relation of such member.

20. Except in the case of a Permitted Transfer this right to transfer or otherwise dispose of a share or any interest in or arising from a share in the Company.

**Pre-emption on Transfer of Shares**

21.1 Except where specifically authorised by these Articles no transfer shall be made or registered other than the transfer of the whole legal and equitable title to such share

free from all liens, charges and encumbrances and with all right, title and interest in existence at the date of the transfer together with all rights which may arise in respect thereof thereafter.

- 21.2 Any member ("**Vendor**") who desires to transfer his shares or any of them or who attempts to transfer any share, otherwise than in accordance with this article 21, shall, or, in the case of a transfer required by article 22 ("**Compulsory Transfer**"), shall be deemed to, give notice in writing ("**Transfer Notice**") to the Company specifying the shares or interest which he desires or attempts or is required to transfer.
- 21.3 A Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified or deemed to be specified in the Transfer Notice ("**Sale Shares**") to the members other than the Vendor. The price to be paid for the Sale Shares shall be such price ("**Transfer Price**") as may be specified in the Transfer Notice, or as agreed by the Vendor and the Directors.
- 21.4 A Transfer Notice shall not be withdrawn except with the consent of the Directors.
- 21.5 Upon the Transfer Price being determined in accordance with article 21:
- (1) the Directors shall forthwith give notice in writing to each member (other than the Vendor) ("**Remaining Members**") accompanied by a copy of the Transfer Notice informing him of the number and Transfer Price of the Sale Shares and shall invite him to state in writing to the Company within 14 days from the date of the notice (which date shall be specified in the notice) whether he is willing to purchase any and, if so, how many of the Sale Shares;
  - (2) if the Remaining Members (or any of them) shall within the period of 14 days referred to in article 21.5(1) apply for all or any of the Sale Shares, the Directors shall allocate the Sale Shares (or so many of them as shall be applied for) to and amongst the Remaining Members according to the number of Sale Shares applied for by each Remaining Member or, if the number of shares applied for by the Remaining Members exceeds the number of Sale Shares, on the basis that each Remaining Member shall be allocated the number of Sale

Shares applied for by him up to the proportion (as nearly as practicable) of the Sale Shares which the number of the existing shares of any class held by each Remaining Member bears to the total number of shares held by all the Remaining Members. If any Sale Shares remain unallocated they shall be allocated to and amongst the Remaining Members whose applications have not been satisfied in full in the proportion (as nearly as practicable) which the number of Sale Shares originally applied for by each Remaining Member less the number of Sale Shares already allocated to him bears to the total number of Sale Shares originally applied for by all the Remaining Members less the number of Sale Shares already allocated to them;

- (3) the Directors shall forthwith after the expiration of the 14 day period referred to in article 21(1) give notice in writing of allocations of Sale Shares ("**Allocation Notice**") to the Vendor and the Remaining Members to whom Sale Shares have been allocated and shall specify in the Allocation Notice the name and address of the relevant Remaining Member, the number of Sale Shares to be purchased by him and the place and time (being not less than seven days nor more than 21 days after the date of the Allocation Notice) at which the sale of such shares shall be completed; and
- (4) no applicant shall be obliged to take more than the maximum number of shares specified by him in writing to the Company.

21.6 Upon the Allocation Notice being given in accordance with article 21.5(3), the Vendor shall be bound, on payment of the Transfer Price, to transfer the shares comprised in the Allocation Notice to the member or members named in the Allocation Notice at the time and place specified.

21.7 If the Vendor makes default in transferring any Sale Shares pursuant to article 21.6 or in accepting payment of the Transfer Price for any of the Sale Shares, the chairman for the time being of the Company or, failing him, one of the Directors or some other person duly nominated by a resolution of the board of Directors for that purpose shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute and complete in the name and on behalf of the Vendor a transfer of such Sale Shares to the

purchasing member or members and in such circumstances the Company:

- (1) may receive and give a good discharge for the purchase money on behalf of the Vendor;
- (2) shall (subject to the transfer being duly stamped) enter the name of the purchasing member or members in the register of members as the holder or holders by transfer of the shares so purchased by him or them; and
- (3) shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the Vendor until he shall deliver up his certificate or certificates for the Sale Shares to the Company when the Company shall pay to the Vendor the purchase money.

21.8 In the event that the Remaining Members do not agree to purchase all the Sale Shares in accordance with article 21.5, the Directors may, if in their absolute discretion so decide, offer the remaining Sale Shares at the Transfer Price to (i) employees of the Company who are not existing members of the Company; and/or (ii) any person or persons selected by the Directors not a member of the Company; and/or (iii) to the Company for purchase out of its distributable profits or capital as the case may be; and/or (iv) any employee share ownership trust established by the Company.

21.9 If any Sale Shares are not sold under the pre-emption procedures set out in this article 21, they shall be retained by the relevant person until they are the subject of a further Transfer Notice.

21.10 If the Vendor shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold, none shall be sold the Vendor may notwithstanding any applications from the Remaining Members or any decision made by the Directors pursuant to article 21.8, at any time within three calendar months after the expiration of the period of 14 days referred to in article 21.5(1) withdraw the relevant Transfer Notice.

21.11 With the consent in writing of all the members for the time being of the Company, all or any of the provisions of this article 21 may be waived by the Directors in whole or in part in any

particular case.

21.12 Save as expressly provided to the contrary in this article 21 or in the regulations of Table A, the Directors shall register any transfer made pursuant to the preceding articles of this article 21.

21.13 The instrument of transfer of shares shall be in the usual form prescribed from time to time or, if none is so prescribed, then in such form as the Directors may determine and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferred.

### **Compulsory Transfers**

22.1 If any member dies then he shall be deemed with effect from his death to have given to the Company a Transfer Notice in respect of all the shares legally or beneficially owned by him and the provisions of article 21 shall have effect accordingly.

22.2 If any member shall be adjudged bankrupt then his trustee in bankruptcy shall be bound, within 30 days of his appointment, to give (or shall be deemed to have given with effect from the expiry of such 30 day period) a Transfer Notice to the Company in respect of all the shares legally or beneficially owned by such member and the provisions of article 9 shall have effect accordingly.

22.3 In the case of a corporate member upon the commencement of any winding-up of the corporate member or upon the appointment of an administrator or administrative receiver, 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 legally or beneficially owned by it and any associated company of it and the provisions of article 9 shall have effect accordingly.

22.4 If any associated company of a corporate member which becomes a member of the Company at any time ceases to be an associated company of the original corporate member then, unless such member shall have transferred its shares to such original corporate member or to another associated company of such original corporate member within 30 days of such cessation, that member shall be deemed with effect from the expiry of such 30

day period to have given to the Company a Transfer Notice in respect of all shares legally or beneficially owned by such member and the provisions of article 7 shall have effect accordingly.

22.5 If any corporate member ceases to be controlled by the person or persons who were in control of the corporate member at the time when the corporate member became a member of the Company, it shall within seven days of such cessation of control give notice in writing to the Company of that fact and there shall be deemed with effect from the expiry of such seven day period to have been given to the Company a Transfer Notice in respect of all shares legally or beneficially owned by it and any associated company of it and the provisions of article 21 shall have effect accordingly.

22.6 If any member holding less than 10% of the issued shares in the Company who is an employee of the Company ("Leaver") ceases for any reason whatsoever to be an employee, he shall be deemed with effect from the date on which his employment terminates to have given to the Company a Transfer Notice in respect of all shares legally or beneficially owned by him. Save as stated in this article 22, the provisions of article 21 shall have effect accordingly. The Transfer Price applicable to a sale of shares under this article 22.6 shall be as follows:-

- (1) If the Leaver is a Bad Leaver or his employment terminates due to his resignation at any time within five years of the first date on which he exercises/is granted an option to acquire, or acquires, shares in the Company, the Transfer Price shall be whichever is the lower of par value and the Transfer Price as determined in accordance with the provisions of article 21.3 and for this purpose, the words in the third sentence of article 21.3, from "without taking any account" to the end of the sentence, shall not apply.
- (2) If the Leaver is a Bad Leaver and his employment terminates due to his resignation at any time after five years of the first date on which he exercises/is granted an option to acquire, or acquires, shares in the Company, the Transfer Price shall be whichever is the higher of par value and the Transfer Price as determined in accordance with the provisions of article 21.3, save only that the

Auditors shall in this case be required to take account of whether such Sale Shares comprise a majority or a minority interest in the Company.

- (3) If the Leaver is a Good Leaver, the Transfer Price shall be whichever is the higher of par value and the Transfer Price as determined in accordance with the provisions of article 21.3.

22.7 A **"Good Leaver"** is a Leaver whose employment terminates by reason of:

- (1) his retirement; or
- (2) his death; or
- (3) his ill health or permanent disability; or
- (4) his dismissal where such dismissal is found by a tribunal or court of competent jurisdiction to have been wrongful.

22.8 **"Bad Leaver"** is a Leaver who is not a Good Leaver.

22.9 The provisions of article 21.10 shall not apply to Compulsory Transfers.

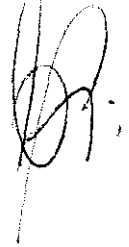
22.10 All or any of the provisions of this article 22 may be waived by the Directors in whole or in part in any particular case.

### **Compulsory Purchases**

23.1 If an offeror for shares in the Company, having made offers to all the members of the Company which are acceptable to the holders of at least 75% of the ordinary shares, receives valid acceptances which would, on completion, result in the offeror becoming the holder of not less than 75% of the issued share capital of the Company, then:

- (1) such offeror may give notice to any non-accepting holder of ordinary 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 all ordinary 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;

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- (2) upon 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;
- (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; and
- (4) after such offeror or his nominee has been registered as the holder of shares transferred in accordance with this article 23 the validity of such transaction shall not be questioned by any person.

23.2 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 21.

#### **Further Provisions Concerning Shares**

- 24.1 Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.
- 24.2 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 24.3 Except as required by law, no person shall be recognised by the Company as holding any



share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

- 24.4 If the Directors refuse to register a transfer of a share, they shall, within 2 months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- 24.5 The registration of transfers of shares (of any class) may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may determine.
- 26.6 No fee shall be charged for the registration of any instruments or transfer or other document relating to or affecting the title to any share.
- 26.7 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.
- 26.8 If a member dies, the survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been solely or jointly held by him.
- 26.9 Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall (subject to compliance with article 21) have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it (except with the authority of the Directors) to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

### **Share Certificates**

27.1 Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him within one month from the date of issue (or such longer period as the terms of issue shall provide) after allotment (and, upon transferring a part of his holding of shares of any class to a certificate for the balance of such holding within 14 days after lodgement of the transfer) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine. Every certificate shall be sealed with the Company seal (if any) and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and amount or respective amounts paid up on them. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be sufficient delivery to all of them.

27.2 If a share certificate is defaced, worn-out, lost, stolen or destroyed, it may be removed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in case of defacement or weaving-out) on delivery up of the old certificate.

#### **Proceedings at general meetings**

28. The quorum necessary for the transaction of business at a general meeting shall be three and consist of at least two holders of Ordinary Shares and one holder of Redeemable Preference Shares.

29. Regulation 41 of Table A shall apply as if there were added a second sentence reading:-

"If a quorum is not present within half an hour from the time appointed for resumption of the meeting, such meeting shall be deemed dissolved."

30. It shall not be necessary to give any notice of adjournment or of any business to be transacted at an adjourned meeting notwithstanding the length of such adjournment (Regulation 45 of Table A shall be deemed modified accordingly).

31. Regulation 53 of Table A shall be deemed amended by the deletion of all words after "convened and held" and the addition of a second sentence reading:-

"Such resolution may consist of several documents in like form each signed by one or more members in which event the resolution shall be deemed passed upon notification (by any means) of signature to the registered office or the secretary of the Company."

#### **Votes of Members**

32. An appointment of proxy which has not been deposited, delivered or received as required by Regulation 62 of Table A shall nonetheless be treated as valid if before the close of business of the meeting at which the person named in the instrument proposed to vote the appointment of proxy is produced to the chairman of such meeting (Regulation 62 of Table A shall be deemed modified accordingly).

#### **Number and qualification of Directors**

33. The number of Directors may be fixed by the Company in general meeting and until so fixed there shall be no minimum or maximum number of Directors and a sole Director shall be entitled to act.
34. The subscribers to the Memorandum of Association of the Company if still members of the Company shall have power to appoint Directors to succeed the first Directors of the Company if all such first Directors shall cease to hold office without having appointed successors.
35. No shareholding qualification for Directors shall be required.

#### **Alternate Directors**

36. An appointment of an alternate Director shall be effected by notification (by any means) given to the Company by the Director making such appointment and the alternate Director shall vacate such office if his appointment is revoked in writing by the appointing Director or if the appointing Director himself ceases to be a Director (Regulations 65 and 68 of

Table A shall be deemed modified accordingly).

### **Appointment of Directors**

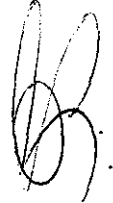
37. Without prejudice to Regulations 78 and 79 of Table A (as varied by sub-articles (2) and (3) below) the holders of the majority of the shares of the Company for the time being in issue may by notice in writing to the Company appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
38. Regulation 78 of Table A shall apply as if all words commencing "and may also ..." were deleted therefrom.
39. Regulation 79 of Table A shall apply as if the last two sentences commencing "A Director so appointed ..." and "If not reappointed ..." were deleted therefrom.

### **Disqualification of Directors**

- 40.1 Without prejudice to Regulation 81 of Table A, the office of Director shall be vacated if the Director is removed from office by notice in writing to the Company given by the holders of the majority of the shares of the Company for the time being in issue.
- 40.2 The Directors shall not retire from office by rotation (Regulations 73 to 77 inclusive of Table A do not apply).
- 40.3 Any person may be appointed as a Director whatever may be his age and no Director shall be required to vacate his office by reason of his attaining or having attained the age of 70 years or any other age.

### **Directors' remuneration, appointments and interests**


41. The right of an executive Director to remuneration fixed by the Directors under Regulation 84 of Table A shall be in addition to any remuneration fixed by the Company in general meeting under Regulation 82 of Table A.

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42. Subject to the provisions of Part X of the 1985 Act a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he has declared to the Board in writing that he is interested (whether or not such interest conflicts with that of the Company) and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him from any such interest to the extent that such interest has been declared as aforesaid (Regulations 85 and 94 of Table A shall be deemed modified accordingly).

### **Proceedings of Directors**

43. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and until so fixed shall be (i) one if only one Director shall be in office and (ii) two if there shall be more than one Director in office. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
44. A resolution in writing signed or approved in writing by each Director or his alternate shall be as valid and effective as if it had been passed at a meeting of the Directors duly convened and held and when signed may consist of several documents in like form each signed by one or more of the Directors or their alternates in which event the resolution shall be deemed passed upon notification (by any means) of signature to the registered office or the secretary of the Company.
45. It shall not be necessary for the purpose of a Directors' meeting that all participants be present at the same place provided that the Directors counted in the quorum are all in contact for the purpose of the meeting whether in person or by radio or telephone or other instantaneous means of communication.

### **The Seal**

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46. The seal, if any, shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

#### **Single Member Company**

47. If at any time, and for as long as, the company has a single member all provisions of these Articles shall (in the absence of any expressed provision to the contrary) apply with such modification as may be necessary in relation to a company with a single member.

#### **Notices**

48. Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In these Articles, "address" in relation to electronic communications, includes any number or address used for the purposes of such communications.
49. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him or an address to which notices may be sent using electronic communications shall be entitled to have notices given to him at that address.
50. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of

the meeting and, where requisite, of the purposes for which it was called.

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51. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
52. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 24 hours after the time it was sent.

#### Indemnity

53. Subject to the provisions of the 1985 Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director or other officer or auditor of the Company shall be entitled to be indemnified, out of the assets of the Company, against all losses or liabilities which he may sustain or incur in or about or in connection with the execution of the duties of his office, 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 1985 Act in which relief is granted to him by the Court. No Director or other officer of the Company shall be liable for any loss, damage or liability which may accrue to or be incurred by the Company in the execution of or in relation to the duties of his office. This regulation shall have effect only insofar as its provisions are not rendered void by Section 310 of the 1985 Act.

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*[Signature]*  
FINANCE DIRECTOR