

Company No. 2580387

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

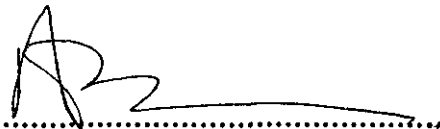
OF

WALL TO WALL (HOLDINGS) LIMITED

Passed 22 November 1999

The following resolutions, having effect as **SPECIAL RESOLUTIONS**, were approved on the above date by the undersigned sole member of the Company, in accordance with section 382B of the Companies Act 1985:

1. Conditional upon passing resolution 2, the existing authorised share capital of 1,000 Ordinary Shares of £1 each be sub-divided into 10,000 Ordinary Shares of 10 pence each and the existing issued share capital of 100 shares of £1 each registered in the name of Alexander Graham be subdivided into 1,000 Ordinary Shares of 10 pence each, such shares having attached thereto the rights set out in the new Articles of Association of the Company.
2. The Company adopt the New Articles of Association in the form attached.
3. Notwithstanding Article 4.1 of the New Articles of Association the Company may allot 1,250 Ordinary Shares of 10 pence each to Jonathan Hewes and 1,250 Ordinary Shares of 10 pence each to EFG Reads Trustees Limited (as trustee of Wall to Wall (Holdings) Limited Employee Share Ownership Trust) without the requirement that such shares be first offered to the members of the Company in accordance with that Article.



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Director



**THE COMPANIES ACTS 1985 AND 1989
COMPANY LIMITED BY SHARES**

NEW ARTICLES OF ASSOCIATION

(adopted by Special Resolution
passed on 22 November 1999)

OF

WALL TO WALL (HOLDINGS) LIMITED

PRELIMINARY

1. Subject as hereinafter provided, the Regulations in Table "A" in the Companies (Tables A - F) Regulations 1985 are incorporated herein and such Table is hereinafter referred to as Table A. Such Regulations (save as are herein excluded or varied) and the Articles hereinafter contained shall be the Articles of Association of the Company.

"The Act" means the Companies Act 1985 as amended by the Companies Act 1989.

SHARES

2. The authorised share capital of the Company at the date of the adoption of these Articles is £1,000 divided into 10,000 ordinary shares of 10p each.¹
3. The Company is a private company and accordingly no invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company, nor shall the Company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of these shares or debentures being offered for sale to the public.
- 4.1 After the date of adoption of these Articles, any shares proposed to be issued shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the period (being not less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in the same manner and limited by a like period as the original offer.

¹ By a special resolution passed on 22 November 1999 the authorised share capital of £1,000 divided into 1,000 ordinary shares of £1 each was sub-divided into 10,000 ordinary shares of 10 pence each.

- 4.2 Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Clause by such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Members.
- 4.3 Subject to this Article and to an election by the Company in accordance with Section 80A of the Act, the Directors are unconditionally authorised for the purposes of Section 80 of the Act to allot shares up to the amount of the authorised share capital authorised at any time or times during the period of five years from the date of these Articles.
- 4.4 In accordance with Section 91 of the Act sections 89 and 90 (1) (6) and (7) thereof shall be excluded from applying to the Company.
- 4.5 Subject to the provisions of Chapter VII of Part V of the Act:-
- (a) the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or shareholder;
 - (b) the Company may purchase its own shares (including any redeemable shares);
 - (c) the Company may make payments in respect of the redemption or purchase under section 160 or (as the case may be) 162 of the Act and the relevant power (a) or (b) above of any of its own shares otherwise than out of its distributable profits or the proceeds of a fresh issue of shares to the extent permitted by section 171 of the Act.

Regulation 35 of Table A shall not apply.

LIEN

5. The Company shall have a first and paramount lien on all shares (whether or not fully paid) standing registered in the name of any person, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company; and Regulation 8 of Table A shall be modified accordingly.

CALLS ON SHARES

6. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence in 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

7. Refusal to Register

The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer which would otherwise be permitted under the succeeding provisions of this Article if it is a transfer:-

- (a) of a share on which the Company has a lien;
- (b) of a share to a person of whom they shall not approve unless the identity of the proposed transferee is specified in the Transfer Notice.

Regulation 24 in Table A shall not apply to the Company.

PRE-EMPTION RIGHTS

8.1 Transfer Notice

Any person ("the Proposing Transferor") proposing to transfer any shares shall give notice in writing ("the Transfer Notice") to the Company that he desires to transfer the same specifying the price per share which in his opinion constitutes the fair value thereof. The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of all (but not some of) the shares comprised in the Transfer Notice to any Member or Members willing to purchase the same ("the Purchasing Member") at the price specified therein or at the fair value certified in accordance with Article 8.3 below (whichever shall be the lower). A Transfer Notice shall not be revocable except with the sanction of the Directors.

8.2 Offer Notice

- (a) The shares comprised in any Transfer Notice shall be offered to the Members (other than the Proposing Transferor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing ("the Offer Notice") within seven days after the receipt by the Company of the Transfer Notice. The offer notice shall state the price per share specified in the Transfer Notice and shall limit the time in which the offer may be accepted, not being less than twenty-one days nor more than forty-two days after the date of the Offer Notice.
- (b) Notwithstanding paragraph (a) if a Certificate of Fair Value is requested under Article 8.3 below the offer shall remain open for acceptance for a period of fourteen days after the date on which notice of the Fair Value shall have been given by the Company to the Members or until the expiry of the period specified in the Offer Notice whichever is the later.
- (c) For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company.

- (d) The Offer Notice shall further invite each Member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the Members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no Member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the Members in proportion to their existing holdings, the same shall be offered to the Members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit.

8.3 **Certificate of Fair Value**

- (a) In the absence of agreement as to the price to be paid for the shares subject to the Transfer Notice any Member may, not later than eight days after the date of the Offer Notice, serve on the Company a notice in writing requesting that the Auditor for the time being of the Company certify in writing the sum which in his opinion represents the fair value ("the Fair Value") of the shares comprised in the Transfer Notice as at the date of the Transfer Notice and for the purpose of this Article reference to the Auditor shall include any person so nominated.
- (b) Upon receipt of such notice the Company shall instruct the Auditor to certify as aforesaid and the costs of such valuation shall be apportioned among the Proposing Transferor and the Purchasing Members or borne by any one or more of them as the Auditor in his absolute discretion shall decide.
- (c) In certifying the Fair Value the Auditor shall be considered to be acting as an expert and not as an arbitrator and accordingly any provisions of law or statute relating to arbitration shall not apply.
- (d) Upon receipt of the certificate of the Auditor, the Company shall by notice in writing inform all Members of the relevant class of the Fair Value of each share and of the price per share (being the lower of the price specified in the Transfer Notice and the Fair Value of each share) at which the shares comprised in the Transfer Notice are offered for sale.
- (e) [For the purpose of this Article the Fair Value of each share comprised in the Transfer Notice shall be its value as a rateable proportion of the total value of all the issued shares in the Company and shall not be discounted or enhanced by reference to the number of shares referred to in the Transfer Notice.]

8.4 **Sale Notice**

If Purchasing Members shall be found for all the shares comprised in the Transfer Notice within the appropriate period specified in Article 8.2, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing ("the Sale Notice") to the Proposing Transferor specifying the Purchasing Members and the Proposing Transferor shall be bound upon payment of the price due in respect of all the shares comprised in the Transfer Notice to transfer the shares to the Purchasing Members.

8.5 **Buy-In of Shares**

If the Company does not find or the Directors consider it has no real prospect of finding prospective purchasers for all of the shares comprised in the Transfer Notice then the Directors may if they think fit and subject to the provisions of Chapter VII of Part V of the Act cause the Company to purchase all of those shares or, in the case where Purchasing Members are found for some of the shares, the balance of the shares remaining unsold under the Transfer Notice (whereupon Article 8.4 shall apply mutatis mutandis) at the prescribed price **PROVIDED THAT** the Company is able to make the purchase within the provisions of Chapter VII of Part V of the Companies Act 1985.

8.6 **Attorney for Sale**

If in any case the Proposing Transferor after having become bound as aforesaid makes default in transferring any shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares in favour of the Purchasing Members. The receipt of the Company for the purchase money shall be a good discharge to the Purchasing Members. The Company shall pay the purchase money into a separate bank account.

8.7 **Sale to Third Party**

If the Company shall not give a Sale Notice to the Proposing Transferor within the time specified in Article 8.4 he shall, during the period of thirty days next following the expiry of the time so specified, be at liberty, subject to Article 7, to offer for sale all of the shares comprised in the Transfer Notice to any person or persons.

8.8 **Employee Shares**

If any member of the Company who is either a director of, or employed by the Company or any subsidiary ceases to hold office as a director of or to be employed by the Company or any subsidiary (save for Alexander Graham to whom this Article shall not apply) such member, or any personal representative or trustee in bankruptcy deriving title under him, shall be deemed to have served a Transfer Notice or Notices pursuant to Article 8.1. The Transfer Notice shall be deemed served on the occurrence of the event specified in the relevant following paragraph:

- (a) in respect of all shares which are then held by him, upon the member ceasing to be a director or employee as the case may be; and

- (b) in respect of any shares which he or any other person may thereafter be entitled to acquire by reason or any rights conferred upon him as a director or employee, on the date on which such shares are allotted to him or to such other person following the exercise of such rights

in each case specifying in the Transfer Notice as the Price per share, the sum which on the application of the Board shall be certified by the Auditors under Article 8.3 as the Fair Value thereof.

8.9 Transmission of Shares

In the application of Regulations 29 to 31 of Table A to the Company, Regulation 30 shall be omitted and:-

- (a) any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall give a Transfer Notice before he elects in respect of any share to be registered himself or to execute a transfer;
- (b) if a person becoming so entitled shall not have given a Transfer Notice in respect of any share within two months of the death or bankruptcy, the directors may at any time thereafter upon resolution passed by them give notice requiring such person within fourteen days of such notice to give a Transfer Notice in respect of all such shares for which he has not previously given a Transfer Notice. If he does not do so he shall at the end of such fourteen days be deemed to have given such a Transfer Notice.

Where a Transfer Notice is given or deemed to be given under this Article and no price per share is specified therein, the Transfer Notice shall be deemed to specify the sum which shall, on the application of the directors, be certified in writing by the Auditors under Article 8.3 as the Fair Value.

8.10 Transfers agreed by all Members

The restrictions on transfers contained in Articles 7 and 8 shall not apply to any transfer approved in writing by all the members of the Company.

PERMITTED TRANSFERS

9.1 For the purposes of this Article:-

- (a) "Privileged Relation", in relation to a member of the Company who is an individual, means the spouse (or widow or widower) of the member and his lineal descendants and, for the purposes aforesaid, a step-child or adopted child or illegitimate child of any member shall be deemed to be a lineal descendant of such member;
- (b) "Family Trust", in relation to a member of the Company who is an individual, means a trust (whether arising under settlement, declaration of trust, testamentary disposition or on an intestacy) which does not permit

any of the settled property or the income therefrom to be applied otherwise than for the benefit of

- (i) that member and/or a Privileged Relation of that member; or
 - (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities) and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such member of his Privileged Relations.
- (c) "Personal Pension Scheme" means, in relation to a member, a scheme established for the benefit of such member and his dependants within the provisions of sections 630 to 655 of the Income and Corporation Taxes Act 1988
- (d) "Relevant Shares" means and includes (so far as the same remain from time to time held by a Permitted Transferee) the shares originally transferred to such Permitted Transferee and any additional shares issued or transferred to the Permitted Transferee by virtue of the holding of the Relevant Shares or any of them.

9.2 A member of the Company who is an individual (not being in relation to the shares in question a holder thereof as a trustee of a Family Trust) may at any time transfer all or any of the shares held by him:

- (a) to a Privileged Relation; or
- (b) to trustees to be held upon a Family Trust of such member; or
- (c) to a scheme administrator of a Personal Pension Scheme for the purposes of such scheme.

9.3 Where Relevant Shares are held by trustees upon a Family Trust:

- (a) such shares may on any change of trustees be transferred to the new trustees of that Family Trust;
- (b) such shares may at any time be transferred to any person to whom the same could have been transferred under Article 9.2 by the settlor if he had remained the holder thereof; and
- (c) if and whenever any such shares cease to be held upon Family Trust (otherwise than in the consequence of a transfer authorised by Article 9.2) or there cease to be any beneficiaries of that Family Trust other than a

charity or charities, the trustees shall be deemed immediately to have given a Transfer Notice in respect of all the Relevant Shares and the procedure set out in Article 8 shall apply.

9.4 Where Relevant Shares are held by a scheme administrator of a Personal Pension Scheme:-

- (a) such shares may on any change of the administrator be transferred to a new administrator of such scheme; and
- (b) if and whenever such shares cease to be held by the Personal Pension Scheme (otherwise than in consequence of a transfer authorised by Article 9.2), the administrator shall be deemed immediately to have given a Transfer Notice in respect of all the Relevant Shares and the procedure set out in Article 8 shall apply.

9.5 If a member, being a person who has transferred shares pursuant to Article 9.2, ceases to be a Director of or consultant to or employee of the Company or any subsidiaries, any person who has acquired Relevant Shares from that member (whether directly or by a series of transfers) shall be deemed to have given a Transfer Notice pursuant to Article 8.2 in respect of all the Relevant Shares as shall then be registered in the name of such person and the procedure set out in Article 8 shall apply. Such Transfer Notice shall be effective from the date on which the Directors (as a whole) actually become aware of such event.

ENQUIRIES

10.1 For the purpose of ensuring that a transfer of shares is to be made or that no circumstances have arisen whereby a transfer has been made other than in accordance with the provisions of these Articles the Directors may from time to time require by notice in writing ("an Enquiry") require any member or any person named as transferee in any transfer lodged for registration ("a Recipient") to furnish to the Company such information as evidence (written or otherwise) to the Directors' reasonable satisfaction regarding any matter which they may reasonably deem relevant to such purpose.

10.2 (a) If the Directors do not receive information or evidence which in their reasonable opinion satisfies the requirements of the Enquiry within a reasonable period specified in the Enquiry (not being less than two weeks) from the date of the Enquiry, the Directors may serve on the Recipient a further notice ("Further Enquiry") which shall:

- (i) specify in reasonable detail the information and evidence required by the Directors to satisfy the Enquiry; and
- (ii) specify a time limit (not being less than 7 days) within which such information and evidence must be provided to the Directors; and

- (iii) notify the Recipient that failure to provide the information and evidence to the reasonable satisfaction of the Directors shall result in a Transfer Notice having been deemed to have been served in respect of all of such shares as are specified in paragraph (b).
- (b) If any Recipient shall fail to respond to any Enquiry and Further Enquiry to the reasonable satisfaction of the Directors then a Transfer Notice shall be deemed to have been given under Article 8 at the expiry of the period allowed for response to the Further Enquiry:-
 - (i) by the member in respect of such of the shares held by him as may be specified in the Further Enquiry; or
 - (ii) by the person named as transferee in any transfer of such of the shares registered in his name as may be specified in the Further Enquiry and/or by the member transferring the shares comprised in such transfer of such of those Shares as may be specified in the Further Enquiry.

PROCEEDINGS AT GENERAL MEETINGS

- 11.1 If and so long as there is a single member of the Company they shall be the only person to constitute a quorum at any General Meeting. Regulation 40 of Table A is modified accordingly.
- 11.2 If and so long as there is only one member of the Company, a decision taken by the member, which may be taken in general meeting, is as effective as if agreed by the Company in general meeting.
- 11.3 A decision taken by a sole member under Article 11.2 (unless taken by way of a written resolution) shall be recorded as writing and a copy shall be provided to the Company.

DIRECTORS

- 12.1 Regulation 64 of Table A shall not apply to the Company.
- 12.2 The number of the Directors shall be determined by Ordinary Resolution of the Company but unless and until so fixed there shall be no maximum number of Directors and the minimum number of Directors shall be one. In the event of the minimum number of Directors fixed by or pursuant to these Articles or Table A being one, a sole Director shall have authority to exercise all the powers and discretions expressed to be vested in the Directors generally and Regulation 89 of Table A shall be modified accordingly.
- 12.3 In the case of an equality of votes, the Chairman of the Board of Directors shall not have a second or casting vote and Regulation 88 of Table A shall be amended accordingly.

- 12.4 The Directors shall not be required to retire by rotation and accordingly Regulations 73 to 75 shall not apply and all other references in the regulations to retirement by rotation shall be disregarded.

ALTERNATE DIRECTORS

13. [Each Director shall have the power at any time to appoint one other person as an alternate Director and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor. Regulation 65 of Table A shall not apply.]

POWERS AND DUTIES OF DIRECTORS

14. Subject to Section 317 of the Act a Director or Alternate Director may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in calculating a quorum when any such contract or arrangement is under consideration and Regulation 94 of Table A shall be modified accordingly.

PROCEEDINGS OF DIRECTORS

- 15.1 Whilst there are two or more Directors of the Company the quorum for a meeting of the Directors shall be two. In the event that the number of Directors falls to one the quorum for a meeting of the Directors shall be one.
- 15.2 Any Director may participate in a meeting of the Board or of a committee of the Board by means of conference telephone or similar communications equipment whereby all the Directors participating in the meeting can hear each other and the Directors participating in a meeting in this manner shall be deemed to be present in person at such meeting.

THE SEAL

16. In accordance with Section 39 of the Act (as amended) the Company may have an official seal for use in any territory, district or place elsewhere than in the United Kingdom but the Company shall not be obliged to have a common seal.

NOTICES

17. Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile and electronic mail and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 of Table A shall be amended accordingly.

INDEMNITY

18. Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which 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. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act. Regulation 118 of Table "A" shall not apply to the Company.