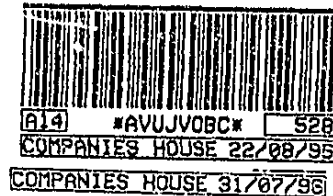


Company number: 2649607



**THE COMPANIES ACT 1985**

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**COMPANY LIMITED BY SHARES**

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**SPECIAL RESOLUTIONS**

- of -

**MINERVA PLC**

Passed the 18<sup>th</sup> day of July 1996

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AT an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held at 10 Gloucester Place, London W1H 3AX on the above date the following resolutions were duly passed as special resolutions of the Company:

**SPECIAL RESOLUTIONS**

**THAT:**

1. the draft new Articles of Association, in the form annexed to this Notice and signed by a member of the Board for the purposes of identification, be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

**THAT:**

2. (a) the authorised share capital of the Company be increased by £11,199,255 from £14,175,010 to £25,374,265 by the creation of 4,910,750 new ordinary shares of 100 pence each, 2,087,505 new preference shares of 100 pence each, ranking pari passu with the existing ordinary and preference shares

respectively, 4,200,000 redeemable preference shares of 100 pence each and 1,000 deferred shares of 100 pence each, the deferred shares and the redeemable preference shares having the rights and obligations set out in the Articles of Association of the Company to be adopted pursuant to Resolution 1 above;

- (b) the Directors be granted authority pursuant to Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £11,258,755 at any time or times within the period of up to 12 months from the passing of this Resolution; and
- (c) the Directors be empowered pursuant to Section 95(1) of the Companies Act 1985 during the period expiring 12 months from the passing of this Resolution to allot or make offers or agreements to allot equity securities pursuant to the authority granted by paragraphs (a) and (b) of this Resolution as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment.



.....  
Chairman

No. 2649607

The Companies Act 1985

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Public Company Limited by Shares

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MEMORANDUM

AND

ARTICLES OF ASSOCIATION

- of -

MINERVA PLC

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Incorporated 27 September 1991

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COMPANIES HOUSE 22/08/96  
COMPANIES HOUSE 31/07/96

No. 2649607

THE COMPANIES ACT 1985 to 1989

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PUBLIC COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

- of -

MINERVA PLC

(As amended by Special Resolution  
passed 3 December 1991, 3 June 1996 and 18 July 1996)

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1. The Company's name is MINERVA PLC<sup>1</sup>.
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England and Wales.
4. The Company's objects are:
  - (A) (i) To acquire by purchase, lease, exchange or otherwise for development, investment or resale and to traffic in land and house and other property of any tenure or any interest therein, and to create, reserve, sell and deal in freehold and leasehold ground rents, and to make advances upon the security of land or house or other property or any interest therein, and whether erected or in course of erection, and whether on first mortgage or subject to a prior mortgage or mortgages; and generally to deal in, traffic by way of sale, lease, exchange or

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1

The name of the Company was changed from 146TH LEGIBUS PLC on 3 December 1991.

otherwise with land and house property and any other property (whether real or personal) and to turn the same to account as may seem expedient, and in particular by laying out streets, roads and squares, constructing sewers and draining, planting and paving and preparing building sites, and by constructing, reconstructing, altering, repairing, improving, decorating, furnishing and maintaining houses, flats, bungalows, offices, factories, warehouses, wharves, buildings, works and conveniences of all kinds, and by consolidating, or connecting or sub-dividing properties, and by leasing and disposing of the same, and by advancing money to and entering into contracts with builders, tenants and others; and to manage any land, buildings or other property as aforesaid, whether belonging to the Company or not, and to collect rents and income, and to supply to tenants and occupiers catering and other services and all conveniences and amenities commonly required therewith to acquire and take over businesses or undertakings of all kinds; and to carry on, or dispose of, remove or put an end to the same or otherwise deal with the same as may seem expedient; and to carry on all or any of the businesses of building and civil engineering contractors, land, estate and property developers, repairers and jobbers, estate agents and managers, mortgage and insurance brokers, and agents, surveyors, valuers and auctioneers, general farmers, builders' merchants, plant hire specialists and contractors, merchants of and dealers in plant, machinery, vehicles and appliances of all kinds, painters, decorators and plumbers, haulage and transport contractors, electricians and general engineers.

- (ii) To carry on business as dealers in property and estates, lessees and lessors, estate developers, business transfer agents, auctioneers, valuers, surveyors and insurance brokers, mortgage brokers, bailiffs, bailees, managing agents, development agents and estate agents; to purchase, take on lease, or in exchange or otherwise acquire any lands and buildings in England or elsewhere and any estate or interest in any rights connected with any such lands or buildings; to develop and turn to account any land acquired by or in which the Company is interested and in particular by laying out and preparing the same for building

purposes, constructing, altering, pulling down, decorating maintaining and furnishing, fitting up and improving the same; to acquire by purchase, lease, concession, grant, licence or otherwise such lands, buildings, leases underleases, rights, privileges, stocks, shares and debentures in public or private companies, corporate or unincorporate, policies of insurance and other such property as the Company may deem fit, and may acquire the same for the purposes of investment and with a view to receiving the income therefrom.

- (iii) To establish, maintain and operate a financial advisory and investment service; to act as advisers and consultants on all matters affecting the financial and investment, arrangements of any person, firm or company and to examine, report, review and advise on any proposals, suggestions and recommendations received by such person or persons, firm or company from whatever source; to carry on all or any of the businesses of insurance brokers and agents, financiers, financial agents, company promoters, bill discounters, merchant bankers, mortgage brokers, rent and debt collectors, stock and share brokers and dealers, and commission and general agents, and to enter into, assist, or participate in financial, commercial, mercantile, industrial and other transactions, undertakings and businesses of every description, and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account, and to co-ordinate the policy and administration of any companies of which this Company is a member or which are in any manner controlled by, or connected with this Company.
- (B) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company.
- (C) To acquire by purchase, lease, exchange, hire or otherwise, or to hold for any estate or interest, any land, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal

property of any kind necessary or convenient for the purposes of or in connection with the Company's business.

- (D) To erect, alter or maintain any buildings, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (E) To acquire by subscription or otherwise and hold, sell, deal with or dispose of any shares, stock, debentures, debenture stocks, or other securities of any kind whatsoever, guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stock and other securities of any kind guaranteed by any government or authority, municipal, local or otherwise, whether at home or abroad, and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by the ownership thereof.
- (F) To receive money on deposit either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or on all or any of the assets of the Company including uncalled capital, and generally to act as bankers.
- (G) (1) To support, guarantee and/or to secure either with or without consideration the payment of any debenture stock, debentures, dividends, shares or monies or the performance of engagements or contracts of any other Company or person and in particular (but without prejudice to the generality of the foregoing) of any Company which is, for the time being, the Company's holding company, as defined by Section 736 of the Companies Act 1985, or any other subsidiary, as defined by the said section, of the Company's holding company or otherwise associated with the Company in business and to give indemnities and guarantees of all kinds and by way of security as aforesaid either with or without consideration to mortgage and charge the undertaking and all or any of the real

and personal property and assets present or future, to issue debentures and debenture stock and collaterally or further to secure any securities of the Company by a Trust Deed or other assurance and to enter into partnership or any joint purse arrangement with any person, persons, firm or company.

- (2) To borrow and raise money in any manner and to secure with or without consideration the repayment of any money borrowed, raised, or owing by mortgage, charge, debenture, debenture stock, bond, standard security, lien or any other security of whatsoever nature upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, debenture, debenture stock, bond, standard security, indemnity, lien or security of whatsoever nature to secure and guarantee the performance by the Company or any other company or person (including but without prejudice to the generality of the foregoing) the holding company of the Company or any company which is a subsidiary of such holding company (within each case the meaning of Section 736 of the Companies Act 1985), of any obligation or liability it or such person or company may undertake or which may become binding upon it or such person or company, and to secure any securities of the Company by a Trust Deed or other assurance and to enter into partnership or any joint purse arrangement with any person, persons, firm or company.
- (H) To lend money with or without security, and to invest money of the Company upon such terms as the Company may approve, and to guarantee the dividends, interest and capital of the shares, stocks or securities of any company of or in which the Company is a member or is otherwise interested, and generally as the Directors think fit.
- (I) To apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so acquired.



- (J) To take part in the formation, management, supervision or control of the business or the operation of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, consultants, experts or agents.
- (K) To employ experts, consultants and valuers to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (L) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition or taking over of all or any of the assets or liabilities of the Company, or the promotion of which shall be in any manner calculated to advance, directly or indirectly, the objects or the interests of the Company and to acquire, hold or dispose of shares, stocks or securities issued by or any other obligations of any such other company.
- (M) To draw, accept and negotiate promissory notes, bills of exchange and other negotiable instruments.
- (N) To invest and deal with the monies of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as the Company may approve.
- (O) To pay for any property or rights acquired by the Company either in cash or by the issue of fully or partly paid up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (P) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation, with or without preferred or deferred or

special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgages or other securities of any company or corporation or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.

- (Q) To enter into arrangements for joint working in business or amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as, directly or indirectly, to benefit the Company,
- (R) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, or company carrying on any business the carrying on of which is calculated to benefit the Company or to advance its interests, or possessed of property suitable for the purposes of the Company.
- (S) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (T) To provide for the welfare of persons employed or formerly employed by the Company and to grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or of any associated company of the Company or its predecessors in business or the dependants of such persons and to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory), with a view to providing pensions or other funds for any such persons as aforesaid or their dependants.

- (U) To subscribe to, or otherwise aid the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies whether such institutions or societies be solely connected with the business carried on by the Company or its predecessors in business or not and to institute and maintain any club or other establishment.
- (V) To distribute in specie assets of the Company properly distributable amongst the members, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (W) To do all or any of the things hereinbefore authorised, either alone or in conjunction with others, or as factors, trustees or agents others, or by or through factors, trustees or agents.
- (X) To do all such other things as are incidental to or which the Company may think conducive with the above objects or any of them.

The objects set forth in any sub-clause of this Clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

5. The liability of the Members is limited.

6. The share capital <sup>2</sup> of the Company is £50,000 divided into 50,000 Shares of £1 each.

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<sup>2</sup> By Resolution passed 3 December 1991 the share capital of the Company was increased from £50,000 to £10,000,000.

By Resolution passed 3 June 1996 the share capital of the Company was increased from £10,000,000 to £14,175,010.

By Resolution passed 18 July 1996 the share capital of the Company was increased from £14,175,010 to £25,374,265

Company No. 2649607

**THE COMPANIES ACTS 1985 AND 1989**

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**COMPANY LIMITED BY SHARES**

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**NEW**

**ARTICLES OF ASSOCIATION**

**- of -**

**MINERVA PLC**

**(Adopted by special resolution passed  
on the 18th day of July 1996)**

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**1. PRELIMINARY**

1.1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 ("Table A") shall apply to the Company except where they are modified or varied or excluded by or are inconsistent with these Articles of Association ("Articles").

1.2 In these Articles the following expressions shall have the following meanings:-

"associate of Chase" a subsidiary or holding company of Chase or any subsidiary of such holding company;

"Chase" The Chase Manhattan Bank and, for the avoidance of doubt, all references to Chase shall include its Successors, permitted transferees and permitted assigns. For this purpose "Successor" means permitted assignee or successor in title of Chase or any person who, under the laws of its jurisdiction of incorporation or domicile, has

assumed the rights and obligations of Chase or such person to whom under such laws the same have been transferred;

**Connected Person"**

- (a) any person who is an associate of any Shareholder (or a person who has acquired any interest in shares in the Company directly or indirectly from any Shareholder) within the meaning given in Section 435 of the Insolvency Act 1986 and for the purpose of construing Section 435 of the Insolvency Act 1986 all the Shareholders will be treated as associates of each other;
- (b) any corporation firm or other entity in which any Shareholder or any person who is a Connected Person pursuant to (a) above has a direct or indirect financial interest of any nature whatsoever other than a company the shares of which are listed on a recognised stock exchange in which Shareholders and Connected Persons have in aggregate less than 5% of the issued equity share capital;

**"Deferred Shares"**

the non-voting Deferred Shares of £1 each in the capital of the Company;

**Financial Indebtedness"**

any indebtedness in respect of:-

- (a) (i) moneys borrowed; or
- (ii) debit balances with banks or other financial institutions;

- (b) any debenture, bond, note, loan stock or other debt instrument;
- (c) any acceptance credit;
- (d) receivables sold or discounted (otherwise than on a non-recourse basis);
- (e) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable whether the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (f) any lease entered into primarily as a method of raising finance or financing the acquisition of the asset leased;
- (g) any currency or interest swap or exchange or any cap and/or floor arrangement or any other hedging transaction;
- (h) any amounts raised under any other transaction having the commercial effect of a borrowing or raising of money including any assumption of indebtedness pursuant to the entry into or operation of any joint venture or partnership arrangement or by operation of law; or
- (i) any guarantee, indemnity (including, without limitation, a guarantee or indemnity against the

failure by any person to perform its obligation or the obligations of any other person) or similar assurance against financial loss of any person with respect to indebtedness of a type referred to in paragraphs (a) to (h) above;

<b>"the Group"</b>	the Company and each of its subsidiary undertakings from time to time;
<b>"Group Associate"</b>	any joint venture, partnership, firm or corporation in which any member of the Group has a financial interest;
<b>"Intercreditor Deed"</b>	the deed entered into between the Company, Minerva Corporation plc, BHF-Bank AG, Chase and others dated July 1996;
<b>"Listing"</b>	the admission of the ordinary share capital of the Company to the Official List of the London Stock Exchange Limited;
<b>"Loan Note"</b>	the £10,000,000 Secured Subordinated Zero Coupon Loan Note 2001 issued to Chase by the Company dated July 1996;
<b>"Ordinary Shares"</b>	the Ordinary Shares of £1 each in the share capital of the Company;
<b>"Preference Shares"</b>	the Preference Shares of £1 each in the share capital of the Company;

**"Redeemable  
Preference Shares"**

the Redeemable Preference Shares of £1 each in the share capital of the Company;

**"Shareholder"**

any member of the Company from time to time other than Chase or an associate of Chase;

**"Working Capital Facility"** the loan facility from Chase to the Company dated July 1996.

- 1.3 Reference to a "Regulation" is a reference to the Regulation of that number in Table A and any reference to the "Act" is a reference to the Companies Act 1985. Reference to an "Article" is a reference to a clause in these Articles. The expressions "holding company" and "subsidiary" shall have the meanings respectively assigned to them by Section 736 of the Act.
- 1.4 Unless the context requires otherwise words in the singular include the plural and vice versa and words for any gender include all genders. Reference to persons includes a body corporate and a unincorporated body of persons and reference to "member" shall include any company holding shares in the Company.
- 1.5 Reference to any statute or statutory provision includes a reference to statutory instruments and orders made further to it and includes consolidations or amendments or modifications or re-enactments.
- 1.6 Reference to "in writing" or "written" means written or typewritten or printed or lithographed or photographed or visibly expressed by any other method of representing or reproducing words in a legible and non-transitory form or partly by one of those methods and partly by another or others
- 1.7 The headings are inserted for convenience only and shall not affect the construction of these Articles.



## 2. SHARE CAPITAL

- 2.1 The authorised share capital of the Company at the date of the adoption of these Articles is £25,374,265 divided into 14,910,750 Ordinary Shares, 6,262,515 Preference Shares, 4,200,000 Redeemable Preference Shares and 1,000 Deferred Shares having the rights set out in these Articles.
- 2.2 Subject to the provisions of Section 80 of the Act the directors are generally authorised to exercise the power of the Company to allot all or any of the shares of the Company which have not been allotted to the persons at the times and on the terms and conditions they in their absolute discretion may determine provided that:
- 2.2.1 this authority shall expire on the fifth anniversary of the date of adoption of these Articles;
- 2.2.2 the maximum number of shares which may be allotted pursuant to this authority shall be the number of unissued shares in the authorised share capital of the Company immediately following the adoption of these Articles; and
- 2.2.3 the directors are empowered pursuant to Section 95 of the Act to allot equity securities pursuant to the general authority conferred by this Article as if Section 89(1) of the Act did not apply to such allotment.
- 2.3 Unless otherwise agreed in writing by all the members of the Company entitled to attend and vote at general meetings any and all unissued shares created after the date of the adoption of these Articles shall before being issued be offered on identical terms to those members in proportion (as nearly as circumstances permit with fractions being disregarded) to the number of existing issued shares of that class of which they are the holders.
- 2.4 Any offer shall be made by notice specifying the number and class of shares and the price at which the same are offered and limiting the time (to not less than 28 days unless the

member to whom the offer is to be made otherwise agrees) within which the offer if not accepted shall be deemed to be declined.

- 2.5 After the expiry of the time within which the offer may be accepted (where the offer is not accepted) or on the receipt of an indication from the person to whom the offer is made that he declines to accept the shares offered the Company may dispose of those shares in whatever way the directors think most beneficial to the Company. The Company may in the same way dispose of any shares which in the opinion of the directors are not capable (because of fractions) of being conveniently offered under this Article to persons entitled to an offer of new shares in proportion to existing their shareholdings.
- 2.6 Subject to the provisions of these Articles the directors shall have unconditional authority to allot or grant options over or offer or otherwise deal with or dispose of any unissued shares or shares created after the date of adoption of these Articles to those persons at the times and generally on the terms and conditions as the directors may determine except that no shares shall be issued at a discount.
- 2.7 Subject to the provisions of Chapter VII of Part V of the Act the Company may:
- 2.7.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders;
  - 2.7.2 purchase its own shares (including any redeemable shares); and
  - 2.7.3 make a payment in respect of the redemption or purchase (under Sections 159 and 160 or as the case may be Section 162 of the Act and under the power contained in Articles 2.8.2 or 2.8.3) of any of its own shares other than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 170 to 172 of the Act.

2.8 If at any time the share capital of the Company is divided into different classes of shares then Chapter II of Part V of the Act shall apply to the variation of the rights attached to any of those classes.

2.9 The provisions of Sections 363 and 370 of the Act and the provisions of these Articles and of Table A relating to general meetings (so far as applicable) shall apply in relation to any meeting of shareholders required (by Section 125 of the Act or otherwise) to take place in connection with the variation of the rights attached to a class of shares and shall apply with the necessary modifications and subject to the following provisions that:

2.9.1 the necessary quorum at any meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy; and

2.9.2 any holder of shares of the class in question present in person or by proxy may demand a poll.

## 2.10 Preference Share Rights

Save as set out in this Article the Preference Shares shall in all respects rank *pari passu* with the Ordinary Shares in the capital of the Company.

### 2.10.1 As Regards Voting:

The Preference Shares shall entitle the holders to receive notice of and to attend and vote at any general meeting of the Company. Every holder personally present at a general meeting shall have 25 votes on a show of hand and, on a poll, 25 votes for every 100 pence in nominal amount of share capital of which it is the holder. All votes at general meetings shall be taken by poll if requested at the time the vote is proposed by at least a single Preference Shareholder.

#### **2.10.2 As Regards Income:**

The Preference Shares shall entitle the holders thereof, pari-passu with any further shares created to rank pari passu therewith as regards priority in respect of income and pari passu with the Ordinary Shares to a dividend of £25 for every £1 of dividend payable on an Ordinary Share or in such proportions in respect of dividends for lesser amounts. All dividends shall be declared and paid in proportion to the amounts paid up on the Preference Shares otherwise than in advance of calls. Unless specifically provided otherwise, a Preference Share carries the right to a dividend from the date on which the dividend is declared or from such other date as may be specified in the resolution declaring the dividend. Any dividend unclaimed 12 years or more after the date of its declaration shall be forfeited and revert to the Company.

#### **2.10.3 As Regards Capital:**

The Preference Shares shall entitle the holders thereof on a winding-up or on a reduction of capital involving a return of capital, pari passu with any further shares created to rank pari therewith in respect of capital, and in priority to any return of capital on any other class of shares (other than Redeemable Preference Shares), to repayment of the capital paid up or credited as paid up thereon together with the sum of £24 in respect of each Preference Share held and a further amount in respect of each Preference Share held, equal to any amount distributable in respect of each Ordinary Share in excess of the amount paid up or credited as paid up thereon multiplied by 25.

#### **2.11 Redeemable Preference Share Rights:**

The Redeemable Preference Shares shall confer on their holders the following rights:-

**2.11.1 As regards income:-**

2.11.1.1 Save as set out in Article 2.11.1.2, the Redeemable Preference Shares shall have no rights to receive any payment of dividend or other distribution of profits.

2.11.1.2 Upon Listing (which term in this context shall include the Listing of any holding company or subsidiary of the Company) the Redeemable Preference Shares (not having been redeemed at that time) shall become entitled to the right to a fixed cumulative preferential dividend at the rate of 1% over the then prevailing redemption yield for 7% Treasury 2001 Gilt on the capital for the time being paid up or credited as paid up thereon to be paid (to the extent that there are profits available for distribution) six monthly in arrears on 30 June and 31 December in each year in respect of the six months ending on that date save that in any redemption of the Redeemable Preference Shares in accordance with Article 2.11.4 dividends accrued but unpaid shall be paid upon the date of redemption.

**2.11.2 As regards capital:**

The right on a winding-up or other return of capital to repayment, in priority to any payment to the holders of any other shares in the capital of the Company (including, for the avoidance of doubt, the Ordinary and Preference Shares) of:-

2.11.2.1 the amounts paid up or credited as paid up on the Redeemable Preference Shares held by them; and

2.11.2.2 any arrears or accruals of the fixed cumulative dividend on the Redeemable Preference Shares held by them, whether declared or earned, or not, calculated down to the date of such repayment.

**2.11.3 As regards voting:**

The Redeemable Preference Shares will confer no right to receive notice of, or to attend and vote at, any general meeting of the Company and as such are non-voting shares.

**2.11.4 As regards redemption:**

2.11.4.1 The Redeemable Preference Shares, subject to the provisions of Chapter VII of Part V of the Act, and subject to the Company having at the relevant time sufficient distributable profits as defined in section 181 of the Act or any reserve or other moneys available and permitted to be utilised for the purpose, may be redeemed at par at any time by the Company in accordance with Articles 2.11.4.3 to 2.11.4.7.

2.11.4.2 Subject to Article 2.11.4.1 the Company shall on a Listing redeem 50% of the Redeemable Preference Shares in issue at that date at par; and in any event shall on 18 July 2001 redeem at par (or such greater amount equal to all sums then paid up on such shares) all of the Redeemable Preference Shares which are outstanding at that date and if, in accordance with Chapter VII of Part V of the Act, Redeemable Preference Shares shall not on any such date be capable of being redeemed by the Company, such redemption shall be effected as soon as is possible after the Redeemable Preference Shares shall have become capable of being redeemed.

2.11.4.3 Not less than seven days' notice of the intention of the Company to redeem shall be given to the holders of the Redeemable Preference Shares to be redeemed. The notice shall be in writing and shall fix the time and place for such redemption. At the time and place so fixed the registered holders of the Redeemable Preference Shares to

be redeemed shall be bound to deliver up to the Company the relative certificates for cancellation, and the Company shall pay to them the redemption money in respect of such Redeemable Preference Shares together with any arrears or accruals of the cumulative preferential dividend (whether earned or declared or not) calculated down to the date fixed for payment.

2.11.4.4 At the time fixed for redemption of any of the Redeemable Preference Shares dividends shall cease to accrue on such shares except in respect of any share in respect of which, on due presentation of the certificate or certificates (or an indemnity in respect thereof in form reasonably satisfactory to the Company), payment due at such redemption was refused.

2.11.4.5 If any holder of the Redeemable Preference Shares shall fail or refuse to surrender the certificate or certificates for such Redeemable Preference Shares or shall fail or refuse to accept the redemption money payable in respect of them such money shall be retained and held by the Company but without interest or further obligation whatever.

2.11.4.6 No Redeemable Preference Shares shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of shares made for the purposes of the redemption or out of capital to the extent permitted by the Act.

2.11.4.7 No Redeemable Preference Shares redeemed by the Company shall be capable of re-issue and on redemption of any Redeemable Preference Shares the directors may convert the authorised share capital created as a consequence of such redemption into shares of any other class of share capital other than Preference Shares or Ordinary Shares into which the authorised share capital of the

Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Redeemable Preference Shares.

**2.11.5 As regards transfer:**

The Redeemable Preference Shares, or any interest in them, shall not be capable of being transferred without the prior approval in writing of the Board.

**2.12 Deferred Share Rights**

**2.12.1 The Deferred Shares:-**

2.12.1.1 do not entitle their holders to receive any payment of dividend or other distribution of profits;

2.12.1.2 do not entitle their holders to receive notice of, or to attend or vote at, any general meeting of the Company and as such are non-voting shares;

2.12.1.3 entitle their holders on a return of capital on a winding-up or otherwise only to the repayment of the amount paid up or credited as paid up on the Deferred Shares after payment in respect of each Ordinary Share, each Preference Share and each Redeemable Preference Share of the capital paid up or credited as paid up on it and in respect of each Preference Share the further sum of £1,000,000 and in respect of each Ordinary Share the further sum of £40,000; and

2.12.1.4 do not entitle their holders to any further participation in the capital of the Company.



2.12.2 The Company has authority at any time:-

2.12.2.1 to appoint a person on behalf of any holder of Deferred Shares to enter into an agreement to transfer and to execute a transfer of the Deferred Shares for a consideration not exceeding 1p for each holding of the Deferred Shares, to a person appointed by the directors to be the custodian of those shares;

2.12.2.2 to cancel and/or purchase the Deferred Shares (under the provisions of the Companies Acts) without making any payment to or obtaining the sanction of the holders; and

2.12.2.3 pending any transfer or cancellation or purchase of Deferred Shares to retain the certificate for those shares.

### 3. LIEN

Without prejudice to the lien conferred by Regulation 8 the Company shall have a first and paramount lien on all shares for all monies presently payable by a member or his estate to the Company in his capacity as member. The lien conferred above and by Regulation 8 shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether that person is a sole or jointly registered holder of the shares.

### 4. CALLS

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

5. TRANSFERS OF SHARES

5.1 Subject to Article 5.2, the directors may refuse (without giving any reason for their refusal) to register the transfer of a share to a person of whom they do not approve. Regulation 25 shall apply only to a refusal to register a transfer of a share pursuant to Regulation 24.

5.2 Notwithstanding Article 5.1 the directors may not refuse to register a share which has been transferred in accordance with the following provisions of this Article or Article 6.

5.3 Except as provided in Article 5.17 any member or trustee in bankruptcy receiver or liquidator ("Proposing Transferor") desiring to sell or transfer or otherwise dispose of any Ordinary Shares and/or Preference Shares which he holds shall give notice (except in the case of a permitted transfer pursuant to Article 5.17) in writing ("Transfer Notice") to the Company at its registered office specifying the number of the shares held by him which he desires to sell ("Shares") and the price ("Offer Price") at which the Shares are offered by him and the third party to whom he proposes to transfer the Shares if they are not purchased by a member pursuant to the following provisions of this Article.

5.4 A Transfer Notice shall only be revocable with the consent of the directors.

5.5 The Transfer Notice shall constitute the directors as the agents of the Proposing Transferor for the sale of the Shares and the directors shall within seven days of the later of the receipt of the Transfer Notice offer the Shares in writing to the other shareholders (other than the holders of Deferred Shares and Redeemable Preference Shares) in proportion to their shareholdings at the date of service of the Transfer Notice specifying the class and number of shares to be issued.

5.6 The offer made pursuant to Article 5.5 ("Offer") shall state:

5.6.1 the number of Shares offered;

5.6.2 the Offer Price (if any);

- 5.6.3 the third party specified in the Transfer Notice (if any);
- 5.6.4 that if the Offer is not accepted in writing within 14 days of the date of the notice of the Offer then it will be deemed to be declined; and
- 5.6.5 that if there is more than one member (other than the Proposing Transferor) and any member (to whom notice is given) would like to purchase Shares in excess of his proportion then he should state in his reply how many additional Shares he would like to purchase.
- 5.7 To the extent that members receiving the Offer do not claim their full entitlements to the Shares the directors shall immediately allocate the unclaimed Shares to satisfy the requests to purchase in excess of those entitlements in the proportions in which such requests are made. If any Shares are not capable (because of fractions) of being offered to the members in proportion to their existing holdings then those Shares shall (to the extent that fractions would arise) be offered to those members in whatever proportions or manner as may be determined by the directors.
- 5.8 The Offer Price shall be the price at which the Shares shall be transferred to members or to third parties.
- 5.9 Within five business days of the expiry of the 14 day period referred to in Article 5.6.4 the Company shall inform the Proposing Transferor and all the other members of the Company of the final result of the Offer.
- 5.10 If a member declines the Offer or fails to indicate that he wishes to purchase all or any of the Shares offered to him then the directors within the following seven days shall use the relevant number of Shares which had been apportioned to that member in or towards satisfying the excess claims (if any) under Article 5.7 of members who are proceeding in full with their purchases.

- 5.11 If a member or members are willing to purchase all the Shares then the Proposing Transferor shall be bound to transfer to each purchaser that number of Shares being purchased by him upon payment by the purchaser to the Proposing Transferor of the Offer Price which payment shall be made within 14 days of the issue of the notice under Article 5.12.
- 5.12 If a Proposing Transferor who has become bound to transfer the Shares defaults in transferring any of those Shares then the directors may receive and hold the purchase monies in respect of those shares which shall be paid into a separate bank account.
- 5.13 The directors shall within a reasonable period nominate some person to execute an instrument of transfer of the relevant Shares in the name and on behalf of the Proposing Transferor and when that instrument has been duly stamped the directors shall cause the name of the relevant purchasing member to be entered in the register as the holder of the relevant Shares and shall hold the purchase money in trust for the Proposing Transferor.
- 5.14 The receipt by the directors of the purchase money shall be a good discharge to the relevant purchasing member and after that member's name has been entered in the register pursuant to Article 5.13 the validity of the proceedings shall not be able to be questioned by any person.
- 5.15 If the directors do not find a member or members willing to purchase all the Shares under Articles 5.3 to 5.13 then the Proposing Transferor shall at any time within 30 days of the issue of the notice under Article 5.3 be free to sell and transfer the Shares to the third party named in the Transfer Notice at the Offer Price.
- 5.16 Articles 5.3 to 5.15 shall not apply:
- 5.16.1 to a transfer of shares by any member to his or her spouse or lineal descendant ("Permitted Transferee");

- 5.16.2 to a transfer to the trustees of a settlement or trust created inter vivos by a member under which the trustees are to hold the shares on trusts the terms of which throughout the period of its ownership of those shares ensure that the absolute beneficial entitlement in the shares can pass only to a person who is (or may become) a beneficiary under the terms of the settlement or trust who is also a Permitted Transferee and that no power or control over the voting powers conferred by the shares is exercisable by or subject to the consent of any person other than the trustees as trustees or a transfer by such trust to the original member;
- 5.16.3 to a transfer upon the death of a member (and either on intestacy or pursuant to the terms of a will) to a person who is a Permitted Transferee or to trustees of a settlement or trust under which the trustees are to hold the shares on trusts the terms of which throughout the period of its ownership of those shares ensure that the absolute beneficial entitlement in the shares can pass only to a person who is (or may become) a beneficiary under the terms of the settlement or trust and who is also a Permitted Transferee and that no power or control over the voting powers given by the shares is exercisable by or subject to the consent of any person other than the trustees as trustees. Pending the transfer of the shares in accordance with this Article only the legal personal representatives of the deceased member shall be recognised by the Company as having title to the interest of the deceased member in those shares;
- 5.16.4 to a transfer of shares for the purpose only of the appointment of a new trustee;
- 5.16.5 to a transfer (where the member is an individual) to a company of which that member holds (or where two or more individual members transfer the shares to one company those members jointly hold) all of the voting or other equity capital of that company provided that if the member ceases (or members cease) to hold all of the voting or other equity capital of the company to which the transfer was made then that company shall transfer the shares back to the member (members) within 30 days of so ceasing and failing which the Company shall appoint a

person on behalf of such company to transfer such shares back to the original transferor or transferors;

5.16.6 to a transfer of shares by way of charge only;

5.16.7 to a transfer by Chase to its subsidiary or a subsidiary to its holding company or any other subsidiary of that holding company ("an associate") or a transfer between such associates provided that if that the transferee ceases to be an associate of the transferor then the transferee shall transfer such shares back to the transferor within 30 days of so ceasing to be an associate of the transferor; and

5.16.8 to a transfer between those members of the Company who were members of the Company as of the day prior to the date on which these Articles have been adopted or to any Permitted Transferee of such member;

5.16.9 to a transfer of shares pursuant to the acceptance of any Offer made pursuant to Article 6; or

5.16.10 to a transfer of any Redeemable Preference Shares or any Deferred Shares.

5.17 If any shares pursuant to the provisions of Article 5.16 have come to be held by trustees of a settlement or trust and (in the reasonable opinion of the directors) the absolute beneficial entitlement to or control of any of those shares has passed or is about to pass to persons other than the trustees of that settlement or trust or Permitted Transferees then the directors may by notice in writing to the registered or last known address of the holder of the shares concerned direct that until further notice from the directors:

5.17.1 any transfer of the relevant shares shall be void;

5.17.2 no voting rights shall be able to be exercised in respect of those shares;

- 5.17.3 no further shares shall be issued as of right to the member concerned or pursuant to any offer made to the holder of them; and
- 5.17.4 except in a liquidation no payment shall be made of any sums due from the Company on the relevant shares whether in respect of capital or otherwise.
- 5.18 The directors may by notice in writing remove or relax any of the restrictions referred to in Article 5.17 in whole or in any particular case at any time and will remove any restriction upon the rectification to their satisfaction of the matters set out in that Article.
- 5.19 The holders of all the Ordinary Shares and Preference Shares in the capital of the Company (if they all think fit) may agree in writing to waive the provisions contained in Articles 5.3 to 5.14 in any particular case.
- 5.20 Except as provided in these Articles the instrument of transfer of a share shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share also by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of that share. Regulation 23 shall be deemed to be modified accordingly.
- 5.21 Regulation 26 shall not apply.

## **6. TAG-ALONG RIGHTS**

- 6.1 Notwithstanding anything else in these Articles, for as long as Chase (and associates of Chase) is a registered holder of any shares of the Company no sale or transfer of Ordinary or Preference Shares to any person (other than Chase or any of its associates or as is permitted pursuant to Article 5.16) may be made or registered unless the proposed transferee has made an offer to purchase all the shares and the Loan Note held by Chase and the associates of Chase on the terms set out in Article 6.2 and the offer period relating to such offer has closed and each accepted offer (if any) has been completed.

6.2 The terms of any offer to purchase shares (the "Offered Shares") referred to in Article 6.1 shall be as follows:-

6.2.1 the Offer shall be open for acceptance for at least 21 days;

6.2.2 the consideration for each Offered Share of each class shall be the higher of:-

6.2.2.1 the highest consideration to be paid for that class of share by the proposed transferee pursuant to the proposed transfer which resulted in the requirement to make the offer;

6.2.2.2 the highest consideration paid by the proposed transferee and any Connected Person for such class of share in the twelve months up to date of the making of the offer;

6.2.2.3 if for any reason it shall not be possible to calculate the consideration for Ordinary Shares or Preference Shares pursuant to Article 6.2.2.1 or Article 6.2.2.2 then the consideration for an Ordinary Share shall be an amount equal to the consideration for each Preference Share calculated as aforesaid divided by 25 and the consideration for a Preference Share shall be an amount equal to the consideration for each Ordinary Share calculated as aforesaid multiplied by 25; and

6.2.2.4 the consideration shall in all cases be payable in cash and shall be paid in full not later than 21 days following acceptance of the offer;

6.2.3 the proposed transferor shall provide Chase with all details of the proposed sale or transfer and all connected transactions and warrant to Chase that such details are true and accurate and complete and not misleading;

6.2.4 the consideration for the Loan Note shall be the nominal amount thereof at the date of the making of the offer together with interest (if any) accrued thereon



calculated down to the date of payment specified in Article 6.2.2.4 and it shall further be a condition that the proposed transferor shall enter into the Intercreditor Deed in place of Chase on or before such date.

## **7. EVENTS REQUIRING CONSENT OF CHASE**

7.1 Until the earlier of (i) the close of business on the day on which the Listing occurs and (ii) the date that Chase and associates of Chase cease to hold any shares in the issued share capital of the Company, the following matters shall not occur without the prior written consent of Chase:

7.1.1 any transaction by any member of the Group or any Group Associate with any Shareholder or any Connected Person (other than transactions permitted by the exception to Article 7.1.4 or employment or consultancy arrangements not prohibited by Articles 7.1.5 to 7.1.8 inclusive);

7.1.2 the creation, issue, reduction, conversion redemption (other than the Redemption of the Redeemable Preference Shares in accordance with Article 2.12.4.2) or purchase of any shares in the capital of The Company or any member of the Group;

7.1.3 the entering into of any transaction or arrangement whereby any Shareholder or Connected Person incurs any Financial Indebtedness where the arrangement is with any member of the Group or any Group Associate;

7.1.4 any member of the Group or Group Associate incurring any Financial Indebtedness where the arrangement is with any Shareholder or Connected Person except for the borrowing of money by The Company from Shareholders or Connected Persons:

7.1.4.1 with respect to working capital for the Group on the following terms:

(a) there will be no payment made of any fees (except for reasonable legal expenses), or commissions or other financing charges of any nature except interest permitted by Article 7.1.4.1(b);

(b) interest will be charged at a rate of no more than LIBOR plus 2% per annum;

(c) all other terms being no more onerous to the Company than those contained in the Working Capital Facility; or

7.1.4.2 for the purposes of the acquisition of freehold or leasehold property on the following terms:

(a) there will be no payment made of any fees except for reasonable legal expenses or commission or other financing charges of any nature except interest permitted by Article 7.1.4.2 (b);

(b) interest will be charged at a rate of no more than LIBOR plus 2% per annum;

(c) the purpose of the loan will be to finance or refinance the direct or indirect purchase of freehold or leasehold property and the loan will not be repayable until after a sale or refinancing of the property; and

(d) the loan is secured on such property and repayment thereof is limited to the proceeds of sale of such property or disposal of an interest therein; or

7.1.4.3 for the purposes of the acquisition of a company, business or asset or the refinancing of such an acquisition where not less than 5% of the

lower of (i) the cost of such acquisition (provided such cost is £50 million or less); or (ii) the Financial Indebtedness incurred in such refinancing, (including in each case any commissions, fees or other costs of acquisition or refinancing), shall be provided to the relevant member of the Group by another member of the Group (without any member of the Group incurring any Financial Indebtedness) or shall be in the form of equity capital provided by a Shareholder or Connected Person;

- 7.1.5 the employment of any Shareholder or Connected Person or any change to the employment arrangements of any Shareholder or Connected Person on terms that or so that the aggregate value of the salary and benefits provided to that person by members of the Group and Group Associates exceeds £150,000 in any year;
- 7.1.6 the payment by any member of the Group or Group Associate of any expense or the reimbursement of any expense which payment or reimbursement is made to any Shareholder or Connected person and which payment was not incurred entirely for the benefit of the company concerned;
- 7.1.7 the entering into of any employment or consultancy agreement with any Shareholder or Connected Person which cannot be terminated without payment of compensation on one year's notice or less;
- 7.1.8 the entry into of any consultancy agreement that would require Chase's consent if it were an employment arrangement;
- 7.1.9 the acquisition or disposal by any member of the Group or any Group Associate of any company, business or asset or in each case an interest therein where the consideration (including fees, commissions and other costs of acquisition) for the acquisition or disposal exceeds £50 million save that there shall be no limit in respect of such an acquisition all Financial Indebtedness incurred in respect of which is non-recourse to any existing member of the Group or a Group Associate;

7.1.10 the incurring by any member of the Group or Group Associate of any Financial Indebtedness other than:

7.1.10.1 under the facilities entered into by the Group at the date of this agreement; or

7.1.10.2 as permitted by Article 7.1.4; or

7.1.10.3 Financial Indebtedness which is for the purpose of an acquisition or the refinancing of the acquisition of a company, business or asset where either:

7.1.10.3.1 not more than 95% of the lower of (1) the cost of that acquisition (provided such cost is £50 million or less) or (2) Financial Indebtedness incurred in such refinancing, (including in each case fees, commissions and all other expenses of such acquisition or refinancing) is financed by Financial Indebtedness the balance being provided by a member of the Group (without any member of the Group incurring Financial Indebtedness) or shall be in the form of equity capital provided by a Shareholder or Connected Person; or

7.1.10.3.2 it is non-recourse to any existing member of the Group or Group Associate.

7.1.11 any change to the Memorandum or Articles of Association of the Company or any other member of the Group or any Group Associate;

7.1.12 the passing of any resolution to place any member of the Group or any Group Associate in liquidation;

7.1.13 any material change to the nature of the business carried on by the Group;

7.1.14 any member of the Group or any Group Associate agreeing to do any of the foregoing.

## **8. NOTICES OF MEETINGS**

- 8.1 Every notice calling a general meeting shall comply with the provisions of Section 372 of the Act as to the giving of information to members about their right to appoint proxies.
- 8.2 In Regulation 32 the words "ordinary resolution" shall be deemed to be replaced by the words "special resolution".
- 8.3 All business transacted at a general meeting shall be deemed to be special business and shall be notified in the notice convening the meeting.

## **9. PROCEEDINGS AT GENERAL MEETINGS**

- 9.1 No business shall be transacted at any general meeting (whether or not it is adjourned) unless a quorum of members is present. A quorum shall be two persons entitled to vote at the meeting each being a member or the duly appointed attorney of a member or a proxy for a member or a duly authorised representative of a corporation. Regulation 40 shall not apply.
- 9.2 A poll may be demanded by any member present in person or by proxy and Regulation 46 shall be deemed to be modified accordingly.
- 9.3 Any resolution as referred to in Regulation 53 may consist of several documents in the same form each signed or approved in writing by one or more of the members (or their duly authorised representatives or attorneys) referred to in that Regulation.

**10. VOTES OF MEMBERS**

Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these Articles on a show of hands or on a poll every member who (being an individual) is present in person or by his duly appointed attorney or by proxy or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) or by proxy shall have one vote for each share of which he is the holder.

**11. DIRECTORS**

11.1 Unless and until otherwise determined by the Company by ordinary resolution the number of directors shall be not more than 10.

11.2 A sole director may act alone in exercising all the powers and authorities and discretions of the board of directors.

11.3 Regulation 64 shall not apply

11.4 A director need not hold any shares of the Company to qualify as a director.

11.5 Notwithstanding that a director does not hold any shares in the capital of the Company he shall be entitled to receive notice of and to attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class in the share capital of the Company.

**12. ALTERNATE DIRECTORS**

12.1 Any director (other than an alternate director) may appoint another director or any other person to be an alternate director and may remove that alternate director appointed by him from office at any time. Regulation 65 shall not apply.

12.2 In Regulation 66 the last sentence shall be deemed to be deleted.

**13. APPOINTMENT AND REMOVAL OF DIRECTORS**

13.1 Regulations 73 to 80 shall not apply.

13.2 Any person be appointed to be a director (either to fill a casual vacancy in the number of the directors or as an additional director) either by a memorandum in writing signed by the holder or holders of a majority of the Ordinary Shares and the Preference Shares in the Company and sent to or left at the registered office of the Company or by an ordinary resolution of the Company.

13.3 Without prejudice to Article 13.2 any casual vacancy in the number of the directors may be filled by the directors and the directors may at any time appoint any person as an additional director.

13.4 Subject to Regulation 81 and Article 13.6 a director (however appointed) shall remain in office until removed by a memorandum in writing signed by the holder or holders of a majority of the Ordinary Shares and the Preference Shares and sent to or left at the registered office of the Company or by an ordinary resolution of the Company.

13.5 For so long as Chase or any of its associates holds any class of shares in the Company, Chase may from time to time appoint up to two persons to be directors and these directors and any alternate for any of them shall be called "A" Directors.

13.6 Each "A" Director may at any time only be removed from office by Chase.

13.7 A director appointed by Chase pursuant to Article 13.5 shall cease to be a director from the date on which Chase and its associates ceases to be a member of the Company.

13.8 Any appointment or removal of a director under Articles 13.5 or 13.6 shall be made by notice in writing served on the Company and signed on behalf of Chase.

**14. REMUNERATION OF DIRECTORS**

The directors shall be entitled to a reasonable remuneration as determined by the directors.

**15. DIRECTORS' EXPENSES**

The directors may be paid all travelling and hotel and other expenses wholly and exclusively and necessarily incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares in or of debentures of the Company or otherwise in connection with the discharge of their duties. Regulation 83 shall not apply.

**16. PROCEEDINGS OF DIRECTORS**

16.1 Not less than 14 days' notice in writing of meetings of the directors shall be given to each of the directors at his address in the United Kingdom whether he is present in the United Kingdom or not. The third sentence of Regulation 88 shall be deemed to be deleted.

16.2 The chairman of a meeting of the directors or of a committee of the directors shall be elected by all the directors (and/or their alternates) present at the meeting. The chairman at any meeting shall not have a second or casting vote and the second last sentence of Regulation 88 shall be deemed to be deleted.

16.3 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 that meeting without the consent of all the directors present.

16.4 The quorum necessary for the transaction of the business of directors shall be two except where there is a sole director. Regulation 89 shall be modified accordingly. For so long as any "A" Directors shall be appointed and remain directors of the Company the quorum for the transaction of business of the directors shall be two directors, one of whom shall be



an "A" Director provided that if within ½ hour of the time appointed for a duly convened meeting a quorum is not present such meeting shall be adjourned for 1 hour on the same day when the quorum shall be any two directors.

16.5 Any resolution as referred to in Regulation 93 may consist of several documents in same form each signed or approved in writing by one or more of the directors or their alternates referred to in that regulation.

16.6 A director who pursuant to Regulation 85 has declared at a meeting of the directors the nature and extent of his interest in a contract or proposed contract or transaction or arrangement with the Company shall be entitled to vote in respect of that contract or proposed contract or transaction or arrangement or upon any matter arising from it and his vote shall be counted and he may be taken into account in determining whether or not a quorum is present at the meeting of the directors or of the committee of directors at which the vote is taken. Regulations 94 and 95 shall not apply.

#### 17. WINDING-UP

In Regulation 117 the words "provided that if any division is proposed to be made other than in accordance with the existing rights of the members then every member shall have the same right of dissent and other ancillary rights as if that resolution were a special resolution passed further to Section 110 of the Insolvency Act 1986" shall be deemed to be inserted at the end of the first sentence.

These Articles of Association adopted by special resolution dated the 18th of July 1996.

A I Rosenfeld  
Director