

COMPANY NO 2844161

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(as amended by Special Resolution passed on 23rd December 1998)

of

KESTREL FINANCIAL MANAGEMENT LIMITED

PRELIMINARY

1. In these Articles and in Table A:

- "the Act" means the Companies Act 1985 but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- "Table A" means Table A in The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F)(Amendment) Regulations. 1985. References to regulations are to regulations in Table A.
- "the Statutes" means the Companies Act 1985 and any statutory modification or re-enactment thereof for the time being in force and every other Act for the time being in force concerning companies and affecting the Company.

2.1 Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company.

2.2 Regulations 24.39, 73 to 78 inclusive, 87, 101 and 118 shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

SHARES

3.1 Subject to the provisions of Article 3.2 and to any directions which may be given by the Company in General Meeting, the Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) and without prejudice to the generality of the foregoing any shares unissued at the date of incorporation of the Company and any shares hereafter created shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.

3.2 The maximum nominal amount of share capital which the Directors may allot, grant options or subscription or conversion rights over, create, deal with or otherwise dispose of in accordance with this Article shall be the total amount stated in Clause 5 of the Memorandum of Association or such other amount as shall be authorised by the Company in General Meeting.

3.3 The authority conferred on the Directors by Article 3.1 and 3.2 shall expire on the day preceding the fifth anniversary of the date of incorporation of the Company.

3.4 The provisions of section 89(1) of the Act shall not apply to the Company.

3.5 Any share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company or of the holder of such share is liable, to be redeemed.



SHARE CAPITAL AND CLASS RIGHTS

*3A.1 The authorized share capital of the Company as at the date of the adoption of this Article (inserted by Special Resolution of the Company dated 23rd December 1998) is £500,000 divided into 206,700 "A" Ordinary Shares of £1 each, 285,479 "B" Ordinary Shares of £1 and 782,100 "C" Ordinary Shares of 1p each and the rights attaching to the aforesaid classes of shares are as set out hereafter in this Article 3A.

3A.2 The issued share capital as at the date of the adoption of this Article is £13,333 divided into 5,512 "A" Ordinary Shares of £1 each and 7,821 "B" Ordinary Shares of £1 each.

3A.3 Subject to the provisions of the Act and without prejudice to any rights attaching to any existing shares, any Ordinary Share may be issued with such rights or restrictions as the Company may by Ordinary Resolution determine and in particular shares may be issued as hereinafter provided as "C" Ordinary Shares of 1p each with rights as hereinafter provided.

3A.4 Income

3A.4.1 The profits of the Company which are available for distribution and which the Company determines to distribute in respect of any financial year shall be distributed amongst the classes of shares in the Company in the following proportions:

- | | |
|----------------------------------|--------|
| (i) "A" Ordinary Shares | 41.34% |
| (ii) "B" and "C" Ordinary Shares | 58.66% |

And subject thereto and subject to Article 3A.4.2 the appropriate proportion of every dividend shall be distributed amongst the holders of the relevant classes of shares (as specified in each of (i) and (ii) above) pro rata to the amounts paid up or credited as paid up on the shares held by them PROVIDED THAT for this purpose 1p paid up or credited as paid up on a "C" Ordinary Share shall be equivalent to £1 paid up or credited as paid up on a "B" Ordinary Share.

3A.4.2 On the declaration by the Company of an interim or final dividend the holders of "B" Ordinary Shares shall receive 100 new "C" Ordinary Shares, credited as fully paid, in lieu of the cash dividend for every £1.00 of the cash dividend payable on every 1 fully paid "B" Ordinary Share of £1 each

PROVIDED THAT such "C" Ordinary Shares of 1p each will be paid up out of distributable reserves only and the Company shall take this right into account when determining the amount of cash dividend to be declared and whether sufficient distributable reserves are available AND THAT a maximum of 782,100 "C" Ordinary Shares may be issued in this way

AND PROVIDED FURTHER THAT any holder of "B" Ordinary Shares may elect to receive cash dividend in respect of some or all of his "B" Ordinary Shares instead of the new "C" Ordinary Shares any such election to be made in writing to the Company within 14 days of the declaration of the dividend or such longer time as the Board may allow provided that such shareholder may irrevocably release his right so to elect in respect of any particular dividend declared by notice in writing to the Company.

3A.5 Capital

On a return of assets on a liquidation or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the classes of shares in the Company in the same proportions as are specified in Article 3A.4.1 in relation to entitlement on a distribution of income and subject thereto the appropriate proportion of such assets shall be distributed amongst the holders of the relevant classes of shares (as specified in each of (i) and (ii) in Article 3A.4.1) pro rata to the amounts paid up or credited as paid up on the shares held by them PROVIDED THAT for this purpose 1p paid up or credited as paid up on a "C" Ordinary Share shall be equivalent to £1 paid up or credited as paid up on a "B" Ordinary Share.

**Inserted by Special Resolution passed on 23rd December 1998*

3A.6 Voting rights

Every member present in person shall upon a show of hands have one vote and upon a poll there shall be 13,333 votes exercisable either in person or by proxy which shall be divided between the various of shares in the Company as follows:

"A" Ordinary Shares	5,512
"B" and "C" Ordinary Shares	7,821
	<hr/> 13,333

And subject thereto the appropriate number of votes shall be divided between the holders of the relevant classes of shares (as specified in each of (i) and (ii) of Article 3A.4.1) pro rata to the number of shares held by them (fractional entitlements being disregarded).

3A.7 Variation of class rights

3A.7.1 If at any time the share capital is divided into different classes or shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 125 of the Act and whether or not the Company is being wound up, be varied or abrogated only with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

3A.7.2 To every such separate general meeting the provisions of these Articles relating to general meetings shall apply *mutatis mutandis*, except that the necessary quorum shall be one or more persons holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holder or holders a quorum is not present, the holder or holders present shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

3A.7.3 The rights attaching to any class of shares shall (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* with that class.

3A.8 Directors' authority to issue shares

The Directors are hereby authorized pursuant to section 80 of the Companies Act 1985 to exercise unconditionally the power of the Company to allot "C" Ordinary Shares pursuant to Article 3A.4.2 and this authority shall expire on the day preceding the fifth anniversary of the date of the adoption of this Article.

LIEN

4. The lien conferred by regulation 8 shall apply to:

(a) all shares of the Company whether fully paid or not;

(b) to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders; and shall be for all indebtedness or other liability to the Company of any member.

Regulation 8 shall be modified accordingly.

TRANSFER OF SHARES

5. The Directors may, in their absolute discretion and without assigning any reason, decline to register any transfer of any share, whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS

6. A poll may be demanded at any General Meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
7. 1 A proxy shall be entitled to vote on a show of hands and regulation 54 shall be modified accordingly.
- 7.2 The words "at any time" shall be substituted for the words "not less than 48 hours" in regulation 62(a).
8. A resolution in writing in accordance with regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them shall be sufficient for the purposes of that regulation.

DIRECTORS

9. The number of Directors need not exceed one and regulation 64 shall be modified accordingly.
10. The first Director or Directors shall be appointed in writing by completion of the statement required to be delivered for registration by section 10 of the Act.
11. A Director shall not be required to hold any qualification shares in the Company.

POWERS AND DUTIES OF DIRECTORS

12. Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him. Regulation 94 shall be modified accordingly.
13. The Directors may exercise all the powers of the Company contained in Clause 3.28 of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

APPOINTMENT AND DISQUALIFICATION OF DIRECTORS

- 14.1 Without prejudice to the powers of the Company under section 303 of the Act to remove a Director by Ordinary Resolution, the holder or holders for the time being of more than one half of the issued Ordinary Shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or in the case of a member being a corporation signed on its behalf by one of its directors or its secretary and shall take effect upon lodgement at the registered office of the Company.
- 14.2 The office of a Director shall be vacated if he is removed from office under Article 14. 1. Regulation 81 shall be modified accordingly.
- 14.3 Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy, and any person proposed to be appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of seventy, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed as such.

ROTATION OF DIRECTORS

15. The Directors shall not be liable to retire by rotation, and accordingly the second and third sentences of regulation 79 shall be deleted.

ALTERNATE DIRECTORS

16.1 Any appointment or removal of an alternate Director made under Table A shall be delivered at the registered office of the Company. In regulation 65 the words "approved by resolution of the directors and" shall be deleted.

16.2 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director may represent more than one Director and shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.

16.3 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

PROCEEDINGS OF DIRECTORS

17.1 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.

17.2 The following sentence shall be inserted after the first sentence of regulation 72: "Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being a Director of the Company."

17.3 A sole Director may exercise all the powers conferred by these Articles on the Directors and for such time as there is not more than one director of the Company there shall be no requirement for a quorum or meetings of directors: regulations 88 and 89 shall be modified accordingly.

THE SEAL

18.1 If the Company has a common seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under regulation 6 relating to the sealing of share certificates shall apply only if the Company has a common seal.

18.2 The Company may exercise the powers conferred by section 39 of the Act in relation to having an official seal for use abroad, and such powers shall be vested in the Directors.

NOTICES

19.1 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes. The third sentence of regulation 112 shall be deleted.

19.2 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 shall be amended accordingly.

INDEMNITY

20.1 Subject to the provisions of and so far as may be consistent with the Statutes but without prejudice to any indemnity to which a Director may be otherwise entitled every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

20.2 The Directors shall have power to purchase and maintain for any Director, Auditor, Secretary or other officer insurance against such liability as is referred to in Section 310 (1) of the Act with effect from the bringing into force of Section 137 of the Companies Act 1989.

MISCELLANEOUS PROVISIONS

21. Table A shall be further modified as follows:

- (a) in regulation 37 the words "within the United Kingdom" shall be deleted;
- (b) in regulation 66 the second sentence shall be deleted;
- (c) in regulation 88 the third sentence shall be deleted;
- (d) in regulation 90 the words "but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting" shall be deleted;
- (e) in regulation 112 the words "(or at such other address, whether within or outside the United Kingdom, as he may supply to the Company for that purpose)" shall be inserted after "registered address";
- (f) regulation 116 shall be modified by the substitution of the words "at the address, if any, whether within or outside the United Kingdom" for the words "the address, if any, within the United Kingdom".