

THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

KESTREL FINANCIAL MANAGEMENT LIMITED (the "Company")



On 30 May 2003 the following resolutions were duly passed as written resolutions of the Company in accordance with the Company's Articles of Association by all the members of the Company who, at that date, were entitled to receive notice of and to attend and vote at general meetings of the Company:-

ORDINARY RESOLUTIONS

1. **THAT** the share capital of the Company be reorganised on terms that:
 - 1.1 the 5,512 issued and 201,188 unissued "A" ordinary shares of £1 each in the share capital of the Company be redesignated as ordinary shares of £1 each;
 - 1.2 the 7,821 issued and 277,658 unissued "B" ordinary shares of £1 each in the share capital of the Company be redesignated as ordinary shares of £1 each; and
 - 1.3 the 782,100 issued "C" ordinary shares of 1 pence each in the share capital of the Company be consolidated and redesignated as 7,821 ordinary shares of £1 each;
2. **THAT** the authorised share capital of the Company be increased by £249,500,000 from £500,000, to £250,000,000 by the creation of a further 249,500,000 ordinary shares of £1 each in the share capital of the Company.

ELECTIVE RESOLUTION

3. In accordance with Sections 80A (1) and 379A of the Companies Act 1985 (the "Act"), the Company elects that the provisions of Section 80A of the Act apply, instead of the provisions of Sections 80 (4) and (5) of the Act, in relation to the giving or renewal, after this election, of an authority under that Section.

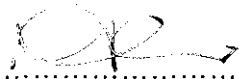
ORDINARY RESOLUTION

4. **THAT** in substitution for any previous authority, the Directors be generally and unconditionally authorised, in accordance with Section 80A of the Act, to allot relevant securities (as defined in Section 80 of the Act) up to a maximum aggregate nominal amount of relevant securities of £249,978,846 on the basis that this authority is given for an indefinite period.

SPECIAL RESOLUTIONS

5. **THAT**, subject to the passing of Resolution 4, the Directors be hereby given power in accordance with Section 95 Companies Act 1985 to allot equity securities (within the meaning of Section 94 of that Act) pursuant to the authority conferred by Resolution 4 above as if Section 89 (1) of the Act did not apply to the allotment provided that such power shall expire when the authority conferred by Resolution 4 is revoked unless previously renewed or varied by the Company in general meeting but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.
6. **THAT** the new Articles of Association in the form attached hereto be adopted.

Signed

A handwritten signature in dark ink, appearing to be 'D. R.', written over a dotted line.

Director/Secretary

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

KESTREL FINANCIAL MANAGEMENT LIMITED

CONSENT TO VARIATION OF RIGHTS

**ATTACHED TO THE "A" ORDINARY SHARES, THE "B" ORDINARY SHARES AND THE "C"
ORDINARY SHARES**

We, the undersigned, being the holders of all of the issued "A" ordinary shares of £1 each in the capital of the Company ("A" Ordinary Shares"), the "B" ordinary shares of £1 each in the capital of the Company ("B" Ordinary Shares") and the "C" ordinary shares of 1 pence each in the capital of the Company ("C" Ordinary Shares") **HEREBY CONSENT** to the passing and implementation of the written resolutions set out below and to every resulting variation or abrogation of the rights attaching to the "A" Ordinary Shares, the "B" Ordinary Shares and/or the "C" Ordinary Shares.

ORDINARY RESOLUTIONS

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ELECTIVE RESOLUTION

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ORDINARY RESOLUTION

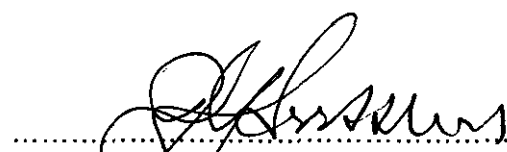
4. **THAT** in substitution for any previous authority, the Directors be generally and unconditionally authorised, in accordance with section 80A of the Act, to allot relevant securities (as defined in section 80 of the Act) up to a maximum aggregate nominal amount of relevant securities of £249,978,846 on the basis that this authority is given for an indefinite period.

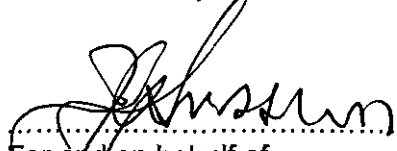
SPECIAL RESOLUTIONS

5. **THAT**, subject to the passing of resolution 4, the Directors be hereby given power in accordance with section 95 Companies Act 1985 to allot equity securities (within the meaning of section 94 of that Act) pursuant to the authority conferred by resolution 4 above as if section 89 (1) of the Act did not apply to the allotment provided that such power shall expire when the authority conferred by resolution 4 is revoked unless previously renewed or varied by the Company in general meeting but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.
6. **THAT** the new Articles of Association in the form attached hereto be adopted.

Dated: 30 May 2003


.....
For and on behalf of
Financial Options Group Limited
as holder of 5,512 "A" Ordinary Shares


.....
For and on behalf of
Financial Options Group Limited
as holder of 7,821 "B" Ordinary Shares


.....
For and on behalf of
Financial Options Group Limited
as holder of 782,100 "C" Ordinary Shares

Company No 2844161

*Certified to be
a true copy*

[Signature]
DIRECTOR

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(adopted by special resolution passed on [30] May 2003)

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)
"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 The authorised share capital of the Company at the date of adoption of these Articles is £250,000,000 divided into 250,000,000 ordinary shares of £1 each.

3.2 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.

LIEN

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

- 4.1 all shares of the Company whether fully paid or not;
- 4.2 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. 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:

- 21.1 in Regulation 37 the words "within the United Kingdom" shall be deleted;
- 21.2 in Regulation 66 the second sentence shall be deleted;
- 21.3 in Regulation 88 the third sentence shall be deleted;
- 21.4 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;
- 21.5 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";
- 21.6 in 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".