

Registered Number: 2848490

THE COMPANIES ACTS 1985 and 1989

SPECIAL RESOLUTIONS of

THE DENCARE MANAGEMENT GROUP PLC

Dated 16 August 1996

At the Extraordinary General Meeting of the Company duly convened and held at 4 Old Park Lane, London W1Y 3LJ on Friday 16 August 1996 at 2.30 p.m., the following Resolutions were passed as Special Resolutions:-

SPECIAL RESOLUTIONS

1. THAT subject to the passing of each of the Extraordinary Resolutions proposed at the General meetings of the holders of each class of share in the capital of the Company the Company adopt new articles of association in the form displayed at the meeting.
2. THAT subject to the passing of Resolution 1 above, the authorised share capital of the Company be increased from £1,117,000 to £1,181,000 by the creation of 640,000 new 'C' Ordinary Shares of 10p each having the rights and subject to the restrictions contained in the Articles of Association of the Company adopted pursuant to Resolution 1 above.
3. THAT subject to the passing of Resolution 1 above, the Directors be and they are hereby empowered pursuant to section 80 of the Companies Act 1985 and pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the Company's articles of association as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment provided that this power shall be limited to the allotment of 640,000 new 'C' Ordinary Shares of 10p each and to a further 15% of the existing issued 'B' Ordinary Shares.
4. THAT a waiver of the requirement that following the Investment Advent will or may otherwise have to make a general offer to the members of the company under the provisions of Rule 9 of the City Code on Takeovers & Mergers, be approved.


.....
Chairman



*He hereby certify
these Articles to be a
true copy of
the original
for the same
Ken*

THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION

-OF-

THE DENCARE MANAGEMENT GROUP
PUBLIC LIMITED COMPANY
(ADOPTED BY SPECIAL RESOLUTION PASSED ON 16 AUGUST 1996)

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PRELIMINARY

1.1 The regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 shall apply to the Company save insofar as they are excluded or modified by or are inconsistent with the regulations hereinafter contained and the regulations contained in Table A and the regulations herein contained shall be the articles of association of the Company ("the Articles").

1.2 The whole of Regulations 2, 24, 25, 40, 41, 46, 50, 51, 52, 54, 64, 65, 73, 74, 75, 80, 82, 87, 89, 96 and 101, the third sentence of Regulation 88 and the last sentence of Regulation 112 of Table A shall not apply to the Company.

DEFINITIONS AND INTERPRETATION

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

Accounts	the audited profit and loss account of the Company or, if at the relevant time the Company has any subsidiary undertaking(s), a consolidation of the audited profit and loss accounts of the Company and its subsidiary undertaking(s), for each financial year, to be prepared under the historical cost convention and in accordance with generally accepted accounting principles and all relevant Statements of Standard Accounting Practice, Financial Reporting Standards and Statements of Recommended Practice;
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Act	the Companies Act 1985;
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Advent Group	Advent Limited and its wholly-owned subsidiaries or, as the case may be, Advent Limited, the company of which Advent Limited is a wholly-owned subsidiary
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and any other wholly-owned subsidiary of such holding company;

Auditors	the auditors of the Company from time to time;
Available Profits	profits available for distribution within the meaning of the Act;
Bad Leaver	any Leaver who is not a Good Leaver;
Board	the board of directors of the Company or any duly authorised committee thereof from time to time;
Cashflow	<p>the aggregate of all amounts received by VCT derived from their holding of VCT Shares and Loan Stock and, without prejudice to the generality of the foregoing, shall be deemed to include:-</p> <ol style="list-style-type: none">i. the amount of any dividends and distributions and interest (and any associated tax credit) on VCT Shares and Loan Stock received by VCT;ii. any sums received by VCT on redemption or purchase or repayment by the Company or by any third party of any VCT Share or Loan Stock; andiii. any sums received by VCT on a repayment or return of capital in respect of the VCT Shares and Loan Stock;iv. in the event of a Quotation, the aggregate value of all of the VCT Shares not sold at the

time of or prior to the Quotation determined by reference to the price per share at which the shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Quotation.

Compounded Cashflow Return (or "CCR")	as at the Conversion Date the compounded return per annum on the VCT Shares and Loan Stock (calculated on the basis of Cashflow received by VCT) where each amount of Cashflow is compounded on a monthly basis @ 30 per cent per annum, as illustrated by the Appendix to these Articles;
Compulsory Purchase Notice	a notice served pursuant to Article 13.1.1;
Conversion Date	the date on which a Conversion Event occurs;
Conversion Event	any one of the following events:- (a) the obtaining of a Quotation; or (b) the entering into of one or more unconditional agreements for a Sale; or (c) where an agreement or agreements for a Sale is or are conditional in any respect, that agreement or those agreements (as the case may be) becoming unconditional in all respects;
Good Leaver	a Leaver who, or a Related Person where their relevant Original Participant, is unfairly dismissed (within the meaning of the Employment Protection (Consolidation) Act 1978) by the Company, who dies or whose

serious illness or incapacity results in either his resignation or dismissal pursuant to the terms of his service contract or who resigns at any time after one year from the later of the date of the adoption of these Articles and his appointment as director/employee of the Company;

Group the Company and its subsidiary undertaking(s) (if any) from time to time and references to Group Company and members of the Group shall be construed accordingly;

Investor Advent VCT plc and any person to whom it has transferred its shares;

Investor Associate any company, fund (including any unit trust or investment trust) or partnership which is advised or the assets of which are managed (whether solely or jointly with others) from time to time by any member of the Advent Group;

Issue Price the price per share at which the relevant shares are issued being the aggregate of the amount paid up or credited as paid up in respect of the nominal value thereof and any share premium thereon;

Leaver (a) any person who was an employee and/or a director (other than a Nominated Director) of the Company or any other Group Company at the date of the adoption of these Articles and at any time thereafter who has ceased (for whatever reason) to be an employee and/or a director (as the case may be) of any Group Company while not remaining or becoming

an employee of any other Group Company and any Related Person of such person who holds shares in the Company;

(b) any person who holds shares in the Company who at any time ceases (for whatever reason) to be a Related Person of an Original Participant;

(c) any person who on the death of a member of the Company becomes entitled to any share in the Company;

(d) any person who on the bankruptcy of a member of the Company (if an individual) or the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a member (if a company) becomes entitled to any share in the Company;

Leaver's Shares

the Relevant Percentage of the "A" shares in the Company held by the particular Leaver, or to which the Leaver is entitled, on the Leaving Date;

Leaving Date

the date on which any person becomes a Leaver;

Loan Stock

the £100,000 subordinated loan stock issued by the Company to VCT on the date of adoption of these Articles and the £100,000 subordinated loan stock proposed to be issued by the Company to VCT within one year of the adoption of these Articles;

Ordinary Shares

the "A" Ordinary Shares, the "B" Ordinary Shares and the "C" Ordinary Shares together;

"A" Ordinary Shares	the convertible "A" ordinary shares of £1 each in the capital of the Company;
"B" Ordinary Shares	the "B" ordinary shares of 10p each in the capital of the Company;
"C" Ordinary Shares	the convertible "C" ordinary shares of 10p each in the capital of the Company;
Original Participants	Tarquin Desoutter, John Dibben and Colin Dexter;
Permitted Transferee	any person to whom shares have been transferred in accordance with Article 12;
Preference Shares	the convertible redeemable preference shares of £1 each in the capital of the Company;
Quotation	the admission of the whole of any class of the issued share capital of the Company to the Official List of the London Stock Exchange or to trading on the Alternative Investment Market of the London Stock Exchange or to any other recognised investment exchange (as defined in section 207 of the Financial Services Act 1986);
Related Persons	in relation to an Original Participant, any one or more of his spouse, child, step-child or remoter issue or the trustees of any trust the beneficiaries of which are the Original Participant and/or his spouse, child, step-child or remoter issue (notwithstanding one or more charities may be named as residuary beneficiaries of that trust);

Relevant Percentage determined in relation to a particular Leaver in accordance with their Leaving Date, as follows:-

Name of Leaver	Leaving Date prior to 16 August 1997	Leaving Date between 16 August 1997 and 16 August 1998	Leaving Date between 16 August 1998 and 16 August 1999	Leaving Date between 16 August 1999 and 16 August 2000	Leaving Date after 16 August 2000
Tarquin Desoutter	50%	37.5%	25%	12.5%	0%
John Dibben	50%	37.5%	25%	12.5%	0%
Colin Dexter	50%	37.5%	25%	12.5%	0%

	Leaving Date prior to first anniversary*	Leaving Date between first and second anniversary	Leaving Date between second and third anniversary	Leaving Date between 16 August 1999 and 16 August 2000	Leaving Date after 16 August 2000
Others	100%	75%	50%	25%	0%

* Where "anniversary" relates to the date on which the relevant of Leaver first became a holder of "A" Ordinary Shares.

Sale the unconditional completion of the sale of the whole of the issued equity share capital of the Company to a single purchaser or to one or more purchasers as part of a single transaction;

Transfer Notice as defined in Article 10.1;

VCT Advent VCT plc and its assigns and successors in title;

VCT Shares

the "C" ordinary shares held by VCT from time to time.

2.2 The terms "subsidiary", "subsidiary undertaking", "wholly-owned subsidiary", "parent undertaking", "holding company", "financial year", "director", "body corporate" and "equity share capital" shall have the meanings respectively attributed to them at the date of the adoption of these Articles by the Act and the term "connected person" shall have the meaning attributed to it at the date of the adoption of these Articles, section 839 Income and Corporation Taxes Act 1988 and the words "connected with" shall be construed accordingly. The term "acting in concert" shall have the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers.

2.3 A reference to any statutory provision in these Articles:-

2.3.1 includes any order, instrument, plan, regulation, permission and direction made or issued under such statutory provision or deriving validity from it; and

2.3.2 shall be construed as a reference to such statutory provision as in force at the date of adoption of these Articles (including, for the avoidance of doubt, any amendments made to such statutory provision that are in force at the date of the adoption of these Articles); and

2.3.3 shall also be construed as a reference to any statutory provision of which such statutory provision is a re-enactment or consolidation; and

2.3.4 shall also be construed as a reference to any later statutory provision which re-enacts or consolidates such statutory provision.

2.4 References in these Articles to:-

2.4.1 any of the masculine, feminine and neuter genders shall (where appropriate) include other genders;

2.4.2 the singular shall (where appropriate) include the plural and vice versa;

2.4.3 a person shall (where appropriate) include a reference to any natural person, body corporate, unincorporated association, partnership, fund and trust;

2.4.4 "Regulations" and "Articles" are to the regulations of Table A and to the regulations contained in these Articles respectively; and

2.4.5 "from time to time" shall include the expression "for the time being" and shall mean from the time of adoption of these Articles up until the present time.

2.5 The headings in these Articles are for convenience only and shall not affect their meaning.

2.6 A reference in these Articles to any transfer of any share in the Company shall mean the transfer of either or both of the legal and beneficial ownership in such share and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such share and the following shall be deemed (but without limitation) to be a transfer of a share in the Company:-

2.6.1 any direction (by way of renunciation or otherwise) by a member entitled to an allotment or issue of any share that such share be allotted or issued to some person other than himself;

2.6.2 any sale or other disposition of any legal or equitable interest in a share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing; and

2.6.3 any grant of a legal or equitable mortgage or charge over any share.

2.7 A reference in these Articles to any class of shareholder giving written directions, written consent or written notice shall mean the giving of such directions, consent or

notice by the holders for the time being of not less than 50 per cent. in nominal value of such class of shares then in issue.

2.8 In construing these Articles, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

SHARE CAPITAL

3. The authorised share capital of the Company at the date of the adoption of these Articles is £1,131,000 divided into 500,000 Preference Shares, 150,000 "A" Ordinary Shares, 5,170,000 "B" Ordinary Shares and the 640,000 "C" Ordinary Shares.

RIGHTS OF THE PREFERENCE SHARES

The rights attaching to the Preference Shares are as follows:-

4.1 As regards income

The Preference Shareholders shall be entitled to participate on a pari passu basis in any dividend declared by the Company as set out in Article 5.

4.2 As regards capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst its shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company, in paying to the Preference Shareholders:-

4.2.1 first, the total amounts paid up on the Preference Shares held by them; and

4.2.2 secondly, a sum equal to any accruals, arrears or deficiency of any dividend payable in respect of the Preference Shares held by them to be calculated down to the date of return of capital.

4.3 As regards redemption

4.3.1 The Company shall, at the option of the Company or a Preference Shareholder, redeem for cash at the total amount paid up thereon Preference Shares (in tranches of 500 or multiples thereof) then outstanding as the Company or the holder thereof may determine (subject to the provisions of this Article) at any time following the date of the Annual General Meeting of the Company held in 1998 and not being later than 30 December 2003. Any such date upon which any Preference Shares are redeemed is referred to herein as a "Redemption Date".

4.3.2 Each such redemption at the option of the Company of some but not all of the Preference Shares in issue shall be made amongst the holders thereof pro rata as nearly as possible to their then holdings of Preference Shares.

4.3.3 Upon the Redemption Date the paid up value of the Preference Shares to be redeemed and any dividend accrued thereon ("the redemption monies") shall become a debt due and payable by the Company to the relevant Preference Shareholder(s) and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the redemption monies to the appropriate Preference Shareholder.

4.3.4 On redemption the Company shall cancel the share certificate of the shareholder concerned and, in the case of a redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.

4.3.5 Upon a redemption at the option of the Company, the Company shall serve notice of such redemption upon the Preference Shareholders specifying the Redemption Date, being not less than 14 days nor more than 30 days from the date of such notice and stating (i) the number of Preference Shares held by each such Preference Shareholder to

be redeemed and (ii) that the Preference Shareholder may, at his option and by giving written notice to the Company not later than 5 days prior to the Redemption Date require the Company to convert the Preference Shares the subject of the notice into "B" Ordinary Shares on the basis of one "B" Ordinary Share for each Preference Share so held, and otherwise in accordance with Article 4.6.

4.3.6 Upon redemption at the option of a Preference Shareholder, the Preference Shareholder shall serve notice of such redemption upon the Company specifying the Redemption Date, being not less than 14 days or more than 30 days from the date of such notice and stating the number of Preference Shares held by him to be redeemed.

4.4 As regards voting

Preference Shareholders shall be entitled by virtue of their holdings of Preference Shares to receive notice of and to attend and vote at all general meetings of the Company and each Preference Shareholder shall have the same rights to vote as an Ordinary Shareholder in accordance with the provisions of Article 8 below.

4.5 Default Rights

If the Company is at any time unable or fails to redeem any of the Preference Shares in accordance with its obligations hereunder (whether or not sufficient profits or other funds are in law available for such redemption) the holders of not less than 50 per cent of the Preference Shares may duly proceed to convene a separate meeting of the Preference Shareholders for the purposes of considering and, if thought fit, passing as an Ordinary Resolution the following resolution namely:-

"that the Company be wound up voluntarily".

If such resolution, having been put to the vote, shall be duly passed as an Ordinary Resolution, any Preference Shareholder shall be entitled to convene an Extraordinary General Meeting of the Company for the purpose of considering and, if thought fit, passing as a Special Resolution, a resolution to the effect that the Company be wound up

voluntarily and that the person named in the notice convening such meeting be appointed or nominated (as appropriate) as liquidator of the Company.

No such meeting shall be held after the expiration of six months from the date when the Preference Shareholders first become entitled to convene the same unless the Company again becomes obliged to redeem any Preference Shares and is unable or fails to do so. A meeting convened under this Article shall be convened in the same manner, as nearly as practicable, as that in which meetings are to be convened by the Directors. Any expenses incurred by the Preference Shareholders concerned in convening any meeting in question shall be repaid to such shareholders by the Company.

4.6 Conversion Rights

Preference shares may be converted into "B" Ordinary Shares (i) at any time at the option of the holders thereof on the basis of one "B" Ordinary Share for each Preference Share; and (ii) in accordance with Article 4.3.5. Conversion shall be effected in such manner as the Board may determine and as the law may allow and the provisions of Article 7.2 shall apply to such conversion mutatis mutandis.

ORDINARY SHARES

5.1 The "A" Ordinary Shares, the "B" Ordinary Shares and the "C" Ordinary Shares shall subject as provided in these Articles, rank pari passu but shall constitute three separate classes of shares.

5.2 The profits of the Company available for distribution and resolved to be distributed shall be distributed by way of dividend among the holders of the "A" Ordinary Shares, "B" Ordinary Shares, "C" Ordinary Shares and Preference Shares pro rata to the numbers of such shares held by each of them respectively. Regulation 104 of Table A shall be modified accordingly.

5.3 On a return of capital on liquidation or otherwise (except on the redemption of shares of any class or the purchase by the Company of its own shares), the surplus assets of the

Company remaining after the payment of its liabilities shall be applied in the following order of priority:-

5.3.1 first, in accordance with Article 4.2;

5.3.2 second, in paying to each holder of Ordinary Shares in respect of each Ordinary Share of which it is the holder, a sum equal to the Issue Price therefor; and

5.3.3 the balance of such assets (if any) shall be distributed amongst the holders of the Ordinary Shares and the Preference Shares (pari passu as if the same constituted one class of share) pro rata to the numbers of such shares held by each of them respectively.

VOTING RIGHTS

6.1 Subject to any rights or restrictions attached to any shares (and, in particular, to the provisions of this Article 6):-

6.1.1 on a show of hands, every member holding one or more Ordinary Shares or Preference Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote; and

6.1.2 on a poll, every member holding one or more Ordinary Shares or Preference Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for each Ordinary Share and Preference Share of which he is the holder.

CONVERSION RIGHTS

7.1 Upon the occurrence of a Conversion Event, the "C" Ordinary Shares then in issue shall be converted into "B" Ordinary Shares on the basis of one "B" Ordinary Share for

every "C" Ordinary Share and the "A" Ordinary Shares then in issue shall be converted into the following number of "B" Ordinary Shares:-

7.1.1 150,000 "B" Ordinary Shares; and

7.1.2 an additional 33,333 "B" Ordinary Shares for each 0.5% by which the CCR exceeds 30% per annum;

provided always that the maximum number of "B" Ordinary Shares into which the "A" Ordinary Shares may be converted shall be such number of "B" Ordinary Shares as is equal to 4.33 times the number of "A" Ordinary Shares then in issue.

7.2 Conversion of the "A" Ordinary Shares and the "C" Ordinary Shares shall be effected in such manner as the Board may determine and as the law may allow and in particular, but without prejudice to the generality of the foregoing, may be effected in accordance with the provisions below:-

7.2.1 the Board may determine to effect conversion by redeeming each "A" Ordinary Share and "C" Ordinary Share falling to be converted on the relevant Conversion Date at a price equal to the Issue Price of such share either out of Available Profits or out of the proceeds of a fresh issue of "B" Ordinary Shares, provided that the Board shall first have obtained all requisite authorities for the purpose of enabling them to allot "B" Ordinary Shares which fall to be allotted pursuant to this Article 7 and/or to grant rights to subscribe therefor;

7.2.2 if the Board elects to redeem out of Available Profits, each "A" Ordinary Share and "C" Ordinary Share falling to be converted shall confer on the holder thereof the right to subscribe for one "B" Ordinary Share (having the same nominal value as the other "B" Ordinary Shares in issue immediately after the conversion) at such premium as shall represent the amount (if any) by which the redemption monies (excluding arrears of dividends in respect thereof) exceed the nominal amount of the "B" Ordinary Shares to which the holder is so entitled. In any such case, each holder of "A" Ordinary Shares and "C" Ordinary Shares falling to be

converted shall be deemed irrevocably to authorise and instruct the Board to apply the redemption monies payable to him in subscribing for such "B" Ordinary Shares at such premium (if any) as aforesaid;

7.2.3 if the Board elects to redeem out of the proceeds of a fresh issue of "B" Ordinary Shares, each "A" Ordinary Share and "C" Ordinary Share falling to be converted shall confer on the holder thereof the right to subscribe, and shall authorise the secretary of the Company (or any other person appointed for the purpose by the Board) to subscribe as agent on the holder's behalf (which authority shall include the right to borrow money), one "B" Ordinary Share at such premium (if any) as shall represent the amount by which the redemption monies (excluding arrears of dividends in respect thereof) exceed the nominal amount of the "B" Ordinary Shares to which the holder is so entitled. In any such case, each holder of "A" Ordinary Shares and "C" Ordinary Shares falling to be converted shall be deemed irrevocably to authorise and instruct the Board to apply the redemption monies payable to him in payment to his said agent.

7.3 As soon as practicable before a Conversion Event, the Company shall give written conditional notice to each holder of "A" or "C" Ordinary Shares falling to be converted of the date on which conversion is due to be made and the place at which the certificates in respect of such shares are to be presented. The notice shall be expressed to be conditional upon the occurrence of the Conversion Event within a specified period of not more than three months from the date of the notice.

7.4 The "B" Ordinary Shares resulting from the conversion shall for purposes of dividend, voting and return of capital be identical in all respects and form one class with and have the same nominal value as the other "B" Ordinary Shares in the capital of the Company then in issue.

LIEN

8. The lien conferred by Regulation 8 shall attach to all shares of any class, whether fully paid or not, and 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 two or more joint holders. Regulation 8 shall be modified accordingly.

PROHIBITED TRANSFERS

9.1 Notwithstanding any other provisions of these Articles, a holder of one or more "A" Ordinary Shares shall not without the prior written consent of the holders of "C" Ordinary Shares (i) serve a Transfer Notice under Article 10 or (ii) effect a transfer (except a transfer in accordance with Articles 12 or 13) of such shares.

9.2 Notwithstanding any other provisions of these Articles other than Article 14 and in the case of any transfer of VCT Shares under Article 9.3 below, the "B" Ordinary Shares, the "C" Ordinary Shares and the Preference Shares shall be freely transferable.

9.3 In the event of an offer (hereinafter a "3rd Party Offer") to purchase all or any part of the VCT Shares ("the Sale Shares"), except where the holders of not less than 75 per cent. of the share capital then in issue state that they wish to accept a Qualifying Offer pursuant to Article 14.2 in which case Article 14 shall apply, VCT shall, before accepting any such offer, first offer such shares to the existing holders of the "A" Shares which offer shall be deemed to include an offer to such other persons (which shall include any corporation partnership or any other undertaking or entity) as shall be nominated by the holders of the "A" Shares voting as a separate class and such shares shall be entitled to be taken up in such proportion as shall be agreed by the holders of the "A" Shares voting as a class. The following provisions shall apply in relation to such offer ("the Offer"):-

9.3.1 The Offer shall be made by notice in writing to Tarquin Desoutter on behalf of the holders of the "A" Shares (hereinafter referred to as the "Offer Notice"), specifying the number of shares to be acquired and specifying the price VCT is willing to accept for each share, which shall be the same price per share as the 3rd Party Offer or determined by reference to the 3rd Party Offer (hereinafter referred to as the "Sale Price").

9.3.2 If the Offer is accepted (and the Offer is only deemed accepted where the

acceptance relates to all the Sale Shares) such acceptance must be communicated to VCT by notice in writing ("the Acceptance Notice") at its registered office within 21 days of the date of receipt of the Offer Notice by Tarquin Desoutter. Such Offer if not accepted within such period will lapse and VCT shall be free to transfer the Sale Shares at any price equal to or exceeding the Sale Price. Once made, the Offer may not be withdrawn without the consent in writing of the "A" Shareholders.

9.3.3 Completion of the sale and purchase of the Sale Shares shall take place within 21 days of the Acceptance Notice and shall be effected by delivery of unencumbered title to the Sale Shares in the usual form together with the relative Share Certificate(s) against payment of the consideration for the Sale Shares in cleared funds.

9.3.4 In the event of any dispute regarding the Sale Price the matter shall be referred in default of agreement on the application of any holder of an "A" Share or VCT to the Auditors of the Company (acting as experts and not arbitrators), who shall determine the Sale Price by reference to the 3rd Party Offer. The determinations of the Auditors shall be final and binding. The time periods in clauses 9.3.2 and 9.3.3 above shall be suspended during any reference to the Auditors until their determination of the matter in dispute.

9.3.5 VCT hereby agrees that in the event of receipt of a 3rd Party Offer to purchase all or any part of its holding of VCT Shares, it will provide an authentic copy of such offer or a memorandum of its principal terms to the Directors of the Company within 2 days of receipt of the same.

TRANSFERS OF "A" ORDINARY SHARES

10. Subject to Articles 12, 13 and 14, the following provisions of this Article 10 shall apply to the transfer of "A" Ordinary Shares:-

10.1 Before transferring any "A" Ordinary Shares under this Article 10, the person

proposing to transfer the shares ("the Proposing Transferor") shall give a notice in writing (a "Transfer Notice") to the Company that he wishes to transfer the shares. The Transfer Notice shall constitute the Company his agent for the sale of the shares therein mentioned ("the Sale Shares") at the Prescribed Price (as hereinafter defined) in accordance with this Article 10 and shall not be revocable except with the written consent of the Directors including any Nominated Director.

10.2 If not more than one month before or after the date ("the Transfer Notice Date") on which the Transfer Notice is given the Proposing Transferor and a majority of the Directors including any Nominated Director shall agree in writing a price per share as representing the fair market value thereof then such price shall be the Prescribed Price (subject to the deduction therefrom of the gross amount of any dividend or other distribution declared or made after such agreement and to be retained by the Proposing Transferor). Otherwise upon the expiry of one month after the Transfer Notice Date the Directors shall request the Auditors to determine and certify the sum per share considered by them to be the fair market value thereof as at the Transfer Notice Date and (subject to the deduction therefrom of the gross amount of any dividend or other distribution declared or made after such determination and to be retained by the Proposing Transferor) the sum per share so determined and certified shall be the Prescribed Price unless otherwise agreed in writing between the Proposing Transferor and a majority of the Directors including any Nominated Director. The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and (subject as aforesaid) their determination shall be final and binding on all persons concerned and, in the absence of fraud, the Auditors shall be under no liability to any such person by reason of their determination or certificate or anything done or omitted to be done by the Auditors for the purposes thereof or in connection therewith. In calculating fair market value, no regard is to be had to the fact that the shares concerned constitute a majority or minority or that their transfer is subject to restrictions and the calculation shall be on the basis of a sale between a willing seller and a willing purchaser.

10.3 If the Prescribed Price is agreed as aforesaid on or prior to the Transfer Notice Date the Prescribed Period shall commence on the Transfer Notice Date. If the Prescribed Price is agreed as aforesaid after the Transfer Notice Date the Prescribed Period shall commence

on the date of such agreement. If the Prescribed Price is not so agreed the Prescribed Period shall commence on the date on which the Auditors shall notify the Directors of their determination of the Prescribed Price. The Prescribed Period shall mean a period of twenty-eight days for the purposes of this Article 10.

10.4 The Company will make an offer in accordance with this Article 10 in relation to the Sale Shares within 7 days of the expiry of the Prescribed Period. All Sale Shares shall be offered by the Company by notice in writing to all the "A" Ordinary Shareholders (other than the member to whose shares the Transfer Notice relates or who has given a current Transfer Notice in respect of all his shares or any of them) for purchase at the Prescribed Price on the terms that in the case of competition the shares so offered shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of "A" Ordinary Shares. Any offer made under this paragraph shall limit a time (not being less than 21 days nor more than 28 days) within which it must be accepted or in default will lapse. Any shares not accepted by such persons shall be offered to the "B" Ordinary Shareholders, "C" Ordinary Shareholders and Preference Shareholders on the same terms *mutatis mutandis*.

10.5 If the Company shall within the said time limits find members ("Purchasers") in accordance with the provisions of Article 10 to purchase the shares concerned or any of them and gives notice in writing thereof to the Proposing Transferor within 2 weeks of the expiry of all relevant time limits he shall be bound, upon payment of the Prescribed Price, to sell and transfer such shares to the respective Purchasers free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights then attaching thereto. Every such notice shall state the name and address of each of the Purchasers and the number of shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice. However (except as regards any Transfer Notice given or deemed to be given pursuant to Articles 13 or 14), if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares concerned neither this Article 10.5 nor the following Article 10.6 shall apply and the offer made in respect of the relevant Sale Shares shall be

deemed to be revoked unless the Company shall have found Purchasers for all of such shares.

10.6 If a Proposing Transferor shall fail or refuse to transfer any shares to a Purchaser hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Proposing Transferor shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Proposing Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Proposing Transferor but without interest. If such certificate shall comprise any shares which the Proposing Transferor has not become bound to transfer as aforesaid the Company shall issue to the Proposing Transferor a certificate for such shares.

10.7 If the Company shall not within the said periods find Purchasers willing to purchase all the Sale Shares, the Company shall promptly give notice in writing thereof to the Proposing Transferor and the Proposing Transferor at any time thereafter up to the expiration of two months after receipt of such notice shall be at liberty to transfer those shares for which the Company has not found Purchasers to any person on a bona fide sale at any price not being less than the Prescribed Price provided that:-

10.7.1 if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned he shall not be entitled hereunder to transfer any of such shares unless in aggregate the whole of such shares are so transferred;

10.7.2 the Directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser

and if not so satisfied may refuse or veto the approval or registration of the transfer.

11.1 No "A" Ordinary Share nor interest in any such share shall be transferred or disposed of to any person unless expressly authorised by Articles 10, 12, 13 or 14. If the foregoing provision shall be infringed the holder of the relevant shares shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors so resolve.

11.2 A person entitled to any "A" Ordinary Shares in consequence of the bankruptcy of a member shall be bound to give a Transfer Notice in respect of such shares, if and when required in writing by a majority of the Directors to do so.

11.3 For the purpose of ensuring that a transfer of shares is in accordance with these Articles or that no circumstances have arisen whereby a shareholder may be bound or required to give a Transfer Notice a majority of the Directors may from time to time require any member or any person named as transferee in any transfer lodged for registration to furnish to the Directors such information and evidence as such Directors may reasonably think fit regarding any matter which they deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of a majority of the Directors within a reasonable time after request the Directors by majority decision shall be entitled in their absolute discretion to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses to the satisfaction of a majority of the Directors in their absolute discretion that circumstances have arisen whereby a shareholder may be bound or required to give a Transfer Notice the Directors by majority decision may by notice in writing require that a Transfer Notice be given in respect of the shares concerned.

11.4 In any case where the Directors have duly required a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of one week such Transfer Notice shall be deemed to have been given at the expiry of the said period and the provisions of the Articles relating to Transfer Notices shall take effect accordingly unless a majority of the Directors elect otherwise.

11.5 A Transfer Notice required or deemed to be given pursuant to Articles 11 or 12 shall not be capable of revocation nor may it specify that unless all relevant shares are sold by the Company pursuant to the Transfer Notice none shall be so sold. Subject as provided to the contrary in Articles 10, 11 or 12, as appropriate, the provisions of Article 10 shall apply to any Transfer Notice required or deemed to be given under or pursuant to Article 11 or 12.

11.6 In any case where a shareholder (or his personal representative) has been required to give or has been deemed to have given a Transfer Notice pursuant to the provisions of Articles 11 or 12 and subsequently becomes the holder of (or is deemed pursuant to Article 11 to be the holder of) further shares in the Company by virtue of the holding of any shares comprised in such Transfer Notice (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Transfer Notice pursuant to Articles 11 or 12 (as appropriate) in respect of such further shares.

PERMITTED TRANSFERS

12.1 Without prejudice to Regulation 5 of Table A, any "A" Ordinary Share may be transferred by a shareholder to a person shown to the reasonable satisfaction of the Directors to be a nominee of or a bare trustee for that shareholder only ("the Beneficial Owner").

12.2 Where shares have been transferred to a nominee or trustee pursuant to Article 12.1 (a "Relevant Transferee"), any such Relevant Transferee may transfer any Acquired Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee of or a bare trustee for the Beneficial Owner only.

12.3 The provisions of Articles 13 and 14 shall apply as if any Acquired Shares held by a Relevant Transferee were held by the Beneficial Owner.

12.4 For the purposes of Article 12.3, "Acquired Shares" means any shares transferred pursuant to Article 12.3 and any shares subsequently acquired by virtue of the holding of

any Acquired Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise).

12.5 Where a Relevant Transferee ceases to hold any Acquired Shares as nominee or bare trustee for the Beneficial Owner he shall promptly transfer such Acquired Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee of or a bare trustee for the Beneficial Owner only and, in default of so doing, shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors so resolve.

12.6 Without prejudice to Regulation 5 of Table A, any individual "A" Ordinary Shareholder ("the Original Shareholder") may transfer any "A" Ordinary Shares to a person or persons shown to the reasonable satisfaction of the Directors to be:-

12.6.1 a privileged relation; or

12.6.2 trustees to be held upon family trusts in relation to the Original Shareholder.

12.7 Where shares have been transferred under Article 12.6 to a privileged relation or trustees of family trusts the privileged relation or the trustees as the case may be may transfer any Acquired Shares to a person or persons shown to the reasonable satisfaction of the Directors to be:-

12.7.1 the trustees for the time being of any trusts being family trusts in relation to the Original Shareholder (whether on a change of trustee or otherwise); and/or

12.7.2 the Original Shareholder or any privileged relation of the Original Shareholder.

12.8 For the purpose of Articles 12.6 and 12.7:-

12.8.1 "privileged relation" means the spouse of the Original Shareholder and all

lineal descendants and ascendants in direct line any brothers and sisters of the Original Shareholder (including, where appropriate, and step, adopted or illegitimate children) and the spouse of any of the above persons;

12.8.2 "family trusts" means trusts the only persons being (or capable of being) beneficiaries of which are the Original Shareholder and/or his privileged relations; and

12.8.3 "Acquired Shares" means any shares transferred pursuant to Article 12.6 and any shares subsequently acquired by virtue of the holding of any Acquired Shares (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise).

12.9 The provisions of Articles 13 and 14 shall apply as if any Acquired Shares held by a permitted transferee (as described in Articles 12.6 and 12.7) were held by the Original Shareholder.

12.10 Where shares have been transferred under this Article 12 to trustees of a family trust and any such shareholder ceases to hold any Acquired Shares as trustee of a family trust he shall promptly transfer such Acquired Shares to a permitted transferee as described in Article 12.7 and, in default of so doing, shall be bound to give a Transfer Notice in respect thereof if a majority of the Directors so resolve.

LEAVERS

13.1 Whenever any person becomes a Leaver, the provisions of this Article 13 shall apply notwithstanding the other provisions of these Articles (except in the case of a transfer with the prior written consent of the holders of the "C" Ordinary Shares under Article 9.1). If this Article applies, the Company will if directed in writing by the holders of "C" Ordinary Shares and may if the written consent of the holders of "C" Ordinary Shares is obtained, within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date:-

13.1.1 serve one or more notices on the Leaver requiring him to sell all or some of his Leavers' Shares to the Company or, in the case of a Good Leaver, at his option to convert his Leavers' Shares into "B" Ordinary Shares on a one for one basis in accordance with clause 13.3 ("a Compulsory Purchase Notice"); or

13.1.2 serve one or more notices on the Leaver notifying him that he may retain all or some of his Leaver's Shares; or

13.1.3 serve one or more notices on the Leaver notifying him that the provisions of Article 13.3 shall apply in respect of all or some of his Leaver's Shares notwithstanding the fact that such notice is served prior to midnight on the first anniversary of the Leaving Date;

and the references to the "Leaver's Shares" in Article 13.2 shall be construed as references to such number of the Leaver's Shares in respect of which the relevant notice has been served.

13.2 Subject to 13.3, whenever a Compulsory Purchase Notice is served in accordance with Article 13.1.1:-

13.2.1 it will be served on the relevant holder(s) of the Leaver's Shares and notify such holder(s) of the expected date for the purchase of the Leaver's Shares (provided that such notice shall be served not less than two clear days prior to the date upon which actual completion of the purchase is expected to take place);

13.2.2 the Company shall effect the purchase of the Leaver's Shares in accordance with such lawful method as the holders of "C" Ordinary Shares shall direct in writing. Relevant shareholder approval for the purchase of the Leaver's Shares must be obtained within 90 days of the date on which the Company serves the Compulsory Purchase Notice and completion of the purchase of the Leaver's Shares by the Company must take place within 30 days of the date upon which the Company becomes lawfully able to purchase the Leaver's Shares in accordance with the Act, failing which the Compulsory Purchase Notice shall be deemed to

have been withdrawn;

13.2.3 the price to be paid by the Company for each of the Leaver's Shares will be for a Good Leaver a sum equal to the market value of each Leaver's Share as determined by the Auditors and for a Bad Leaver, except where the Board is otherwise directed by written notice from the holders of the "C" Ordinary Shares, the lower of the Issue Price and the market value of each Leaver's Share to be determined by the Auditors. Unless the Board and the holders of the "C" Ordinary Shares otherwise agree, the Company shall request the Auditors within seven days of the service of the Compulsory Purchase Notice to determine the market value of each Leaver's Share as at the Leaving Date;

13.2.4 if for the purposes of Article 13.2.3 or 13.3.3 the market value of the Leaver's Shares needs to be determined it shall be determined by the Auditors first determining, in their opinion, the market value of each class of shares of which the Leaver's Shares comprise a part, on the basis of a sale as between a willing vendor and a willing purchaser of the entire issued share capital of the Company in the open market taking into account all such factors as the Auditors may deem relevant. The Auditors shall then allocate to the particular class of Leaver's Shares that proportion of the market value of such entire class of shares as equals the proportion that the particular class of Leaver's Shares bears to such entire class of shares. The Auditors shall certify a market value for each Leaver's Share as soon as possible after being instructed by the Company and in so certifying the Auditors shall be deemed to be acting as experts and not arbitrators and the Arbitration Acts 1950-79 shall not apply. The certificate of the Auditors shall, in the absence of manifest error, be final and binding. The Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall, subject to complying with the Act, be borne by the Company or if not so permitted by the Act, by the Leaver;

13.2.5 completion of the sale and purchase of the Leaver's Shares shall take place at the registered office of the Company (or at such other place as the Board may reasonably determine) and, at completion, the Leaver shall deliver (or procure the

delivery of) a duly signed stock transfer form or forms in respect of his Leaver's Shares together with the relative share certificates or, if such certificate is lost, together with a form of indemnity for lost certificate in a form reasonably acceptable to the Board. Upon receipt of the duly signed stock transfer form or forms and the relevant share certificates the Company shall pay the aggregate purchase price for the Leaver's Shares to the relevant holder thereof by way of cheque; and

13.2.6 if any Leaver fails to attend completion of the sale of his Leaver's Shares or attends completion but does not present duly executed stock transfer forms in respect of his Leaver's Shares and relative share certificates and/or indemnities for any lost certificates, the Company may receive the purchase money due to the Leaver and may nominate some person to execute an instrument of transfer of the Leaver's Shares in the name of and on behalf of the Leaver. When such instrument has been duly presented for stamping, the Company shall cause the name of the Leaver to be deleted from the Register of Members and the Leaver's Shares to be cancelled and, where applicable, shall hold the purchase money in trust without interest for the Leaver. After the name(s) of the Leaver has been deleted from the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

13.3 If at any time prior to midnight on the day 14 days following the date of the Compulsory Purchase Notice a Good Leaver by written notice to the Company opts to convert his Leavers' Shares into "B" Ordinary Shares on a one for one basis such conversion shall be effected in such manner as the Board may determine and as the law may allow and the provisions of this Article 13 shall have no further effect;

13.4 Each member of the Company hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this Power of Attorney) to give effect to the provisions of this Article 13.

DRAG ALONG

14.1 For the purposes of this Article 14 the expression "Qualifying Offer" shall mean a document in writing delivered to any holder of equity share capital in the Company containing an offer to acquire all the equity share capital of the Company then in issue for cash. Any disagreement as to whether an offer is a Qualifying Offer shall be referred to an umpire (who shall act as an expert and not as an arbitrator) nominated by the parties concerned (or, in the event of disagreement as to the nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of any of such parties) whose decision shall in the absence of manifest error be final and binding.

14.2 If at any time after the date of adoption of these Articles a Qualifying Offer is made by or on behalf of any person ("the offeror") and the holders of not less than 75 per cent. of the share capital then in issue ("the accepting shareholders") state that they wish to accept the Qualifying Offer, then the accepting shareholders shall notify the remaining holders of equity share capital ("the other shareholders") of the fact of the Qualifying Offer, the identity of the offeror and the offer price.

14.3 If the other shareholders, or any of them, do not wish to accept the Qualifying Offer they, or any of them, shall be entitled to state by notice in writing ("the Counter-Offer") within 28 days of receipt of the notice referred to in Article 14.2, that they are willing to purchase all of the equity share capital then in issue and the price at which they are willing to purchase such share capital. If the price offered by the other shareholders ("the Offered Price") is greater than or equal to the price of the Qualifying Offer then the accepting shareholders shall be obliged to transfer all the equity share capital held by them to the other shareholders (and, to the extent that more than one other shareholder has given such notice to the one who has offered the highest price or if two or more other shareholders have offered the same price, pro rata (as nearly as may be) to the relevant other shareholders' holdings of equity share capital, or as the other shareholders may direct) at the Offered Price and the accepting shareholders shall:-

14.3.1 be deemed to have accepted the Counter-Offer in accordance with its

terms and to have irrevocably waived any pre-emption rights that they may have in relation to the transfer of the shares of which they are holders; and

14.3.2 be obliged to deliver to the other shareholders or their nominees an executed transfer of such shares and the certificate(s) in respect of them.

14.4 If any accepting shareholder shall not, within seven days of being required to do so, execute and deliver transfers in respect of the equity share capital held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any other shareholder shall be entitled to, and shall be entitled to authorise and instruct such person as he thinks fit to, execute the necessary transfer(s) and indemnities on the accepting shareholder's behalf and, against receipt by the Company (on trust for such shareholder) of the purchase monies payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities to the other shareholders or their nominees and register such other shareholders or their nominees as the holders thereof and after such other shareholders or their nominees have been registered as the holders, the validity of such proceedings shall not be questioned by any persons.

14.5 If no such Counter-Offer is made within the said period of 28 days or if the Offered Price is less than the offer price of the Qualifying Offer, then the other shareholders shall:-

14.5.1 be deemed to have accepted the Qualifying Offer in accordance with its terms and to have irrevocably waived any pre-emption rights that they may have in relation to the transfer of the shares of which they are holders; and

14.5.2 be obliged to deliver to the offeror or his nominee an executed transfer of such shares and the certificate(s) in respect of them.

14.6 If any other shareholder shall not, within seven days of being required to do so, execute and deliver transfers in respect of the shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any accepting shareholder shall be entitled to, and shall be entitled to authorise and instruct such person as he thinks fit to, execute the necessary transfer(s) and indemnities on the

other shareholder's behalf and, against receipt by the Company (on trust for such shareholder) of the purchase monies payable for the relevant shares, deliver such transfer(s) and certificates or indemnities to the offeror or his nominee and register such offeror or his nominee as the holder thereof and, after such offeror or his nominee has been registered as the holder, the validity of such proceedings shall not be questioned by any person. As security for the above obligations, each Member irrevocably appoints each holder of equity share capital from time to time as its attorney to execute and do all such deeds, documents and things in the name of and on behalf of such Member as may reasonably be required to give full effect to the provisions of this Article 14.

ANNUAL GENERAL MEETINGS

15.1 The Board shall procure that the Annual General Meeting in respect of each financial year of the Company shall be convened to take place not later than 45 days after the date of the Auditors' report relating to the Accounts for the relevant financial year.

15.2 The Board shall cause to be laid before each such Annual General Meeting the Accounts for the relevant financial year, together with the respective reports thereon of the directors and the Auditors.

PROCEEDINGS AT GENERAL MEETINGS

16.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and, subject to Article 16.2, for its duration. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

16.2 If within half an hour from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the members present may decide and if at the adjourned meeting a quorum is not present within half an hour from the time

Group Company signed by such holders who may in like manner at any time and from time to time remove from office the director so appointed and appoint any person in place of the director so removed or otherwise vacating office;

17.1.2 each such appointment and removal shall take effect forthwith upon such notice being received by the Company and the provisions of Regulation 76 shall be read subject to this Article 17; and

17.1.3 only the "C" Ordinary Shares shall confer upon the holders thereof the right to vote upon any resolution pursuant to section 303 of the Act for the removal of any Nominated Director for the time being holding office pursuant to this Article.

17.2 Notice of meetings of directors shall be served on each Nominated Director at the address notified by him to the Company for this purpose whether he shall be present in or absent from the United Kingdom and if he has appointed an alternate director on such alternate director at the address notified by such alternate director to the Company.

NUMBER OF DIRECTORS

18. The number of directors (including the Nominated Director but excluding alternate directors) shall not be less than two in number nor more than ten.

ALTERNATE DIRECTORS

19. A director (other than an alternate director) may appoint any other director or, in the case of the Nominated Director any other person whomsoever or, in the case of any other director, any other person approved by resolution of the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed.

20. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

21. Any director of the Company who is appointed an alternate director shall be entitled

RETIREMENT BY ROTATION

24. The directors shall not be liable to retire by rotation and the words "by rotation or otherwise" and "and deemed to have been reappointed" in Regulation 67, "other than a director retiring by rotation" in Regulation 76, "(other than a director retiring by rotation at the meeting)" in Regulation 77, "and may also determine the rotation in which any additional directors are to retire" in Regulation 78, the last two sentences of Regulation 79 and the last sentence of Regulation 84 shall not apply to the Company.

BORROWING POWERS

25. The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present or future) and uncalled capital and, subject to that Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party provided that without the prior written consent of the holders of the "C" Ordinary Shares, Borrowings shall not exceed an amount equal to 2 times the aggregate of the issued share capital of the Company and the amount standing to the credit of the capital and revenue reserves of the Company all as shown in the latest audited balance sheet of the Company.

APPENDIX

7/11/96 11:12
TSB

DENCARE MANAGEMENT GROUP plc

Proforma illustration of 'A' Ordinary share conversion

Assumptions

- 1 Advent VCT ('AVCT') invests £500k on 31/8/96 and £500k on 31/1/97 (£800k ords, £200k loan)
- 2 Loan interest - £5k paid quarterly to AVCT commencing 30/11/97
- 3 On 31/3/2001, company sold for (or listed at pre-money capitalisation of) £14.0m, at which time AVCT owns 25% of the fully-diluted equity
- 4 For simplicity of illustration, annualised IRR calculated on monthly basis

Summary investment returns model

Y/E 31/3 :	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Cash invested	500				
	500				
Loan interest		-10	-20	-20	-20
Loan repayment					-200
Equity valuation					-3450
	<u>1000</u>	<u>-10</u>	<u>-20</u>	<u>-20</u>	<u>-3670</u>

IRR : 35.4% pa

Equity valuation represents value of AVCT's ordinary share holding at time of trade sale or immediately on listing

'A' Ordinary share conversion on 'exit' (ie trade sale or flotation)

- 1 'A' Ords to convert into 150,000 'B' Ords plus 33,333 'B' Ords for each 0.5%pa by which AVCT's IRR exceeds 30.0%pa (up to overall maximum of 650,000 'B' Ords)
- 2 AVCT's IRR exceeds 30.0%pa by 5.4%pa (ie 10 complete 0.5% increments)
- 3 150,000 'A' Ords will convert into a total of 483,330 (ie 150,000 + 333,330) 'B' Ords

ACS - 9/7/96