

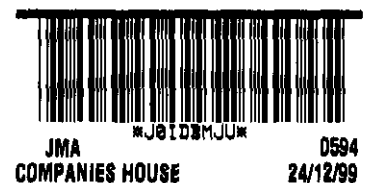
Company No: 2875057

COMPANIES ACTS 1985 TO 1989
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
of
THE ARBOR GROUP PLC
(Passed on 15 December 1999)

We, the undersigned, being the members of the Company who at the date of this resolution are entitled to attend and vote at a general meeting of the Company convened for the purpose of considering and passing the Resolutions set out below **HEREBY RESOLVE** pursuant to Regulation 53 of Table A of the Companies Act 1985 as incorporated in the Company's articles of association, and with the intent that the following Ordinary and Special Resolutions (as indicated) should be as valid and effective as if the same had been passed at a duly convened and held general meeting of the Company, as follows:-

ORDINARY RESOLUTION

1. **THAT** each of the issued "A" ordinary shares of £1 in the capital of the Company registered in the name of Frank Butterworth be converted into and re-designated as one "C" ordinary share of £1 in the capital of the Company ("C" Ordinary Shares") having the rights but subject to the limitations set out in the new articles of association to be adopted pursuant to resolution 10 below ("the New Articles").
2. **THAT** each of the issued "A" ordinary shares of £1 in the capital of the Company registered in the name of David Laidler be converted into and re-designated as one "D" Ordinary Share of £1 in the capital of the Company ("D" Ordinary Shares") having the rights but subject to the limitations set out in the New Articles.
3. **THAT** each of the issued "A" ordinary shares of £1 in the capital of the Company registered in the name of Brian Rees be converted into and re-designated as one "E"



Ordinary Share of £1 in the capital of the Company ("E" Ordinary Shares") having the rights but subject to the limitations set out in the New Articles.

4. **THAT** each of the 249,997 unissued "B" ordinary shares of £1 in the capital of the Company be converted into and re-designated as one "C" Ordinary Share having the rights but subject to the limitations set out in the New Articles.
5. **THAT** each of the 249,997 unissued "B" ordinary shares of £1 each in the capital of the Company be converted into and re-designated as one "D" Ordinary Share having the rights but subject to the limitations set out in the New Articles.
6. **THAT** each of the 425,006 unissued "A" ordinary shares of £1 each in the capital of the Company be converted into and re-designated as one "E" Ordinary Share having the rights but subject to the limitations set out in the New Articles.
7. **THAT** in substitution for all existing and unexercised authorities the Directors of the Company be and they are hereby authorised generally and unconditionally to exercise all powers of the Company pursuant to Section 80 of the Companies Act 1985 ("the Act") to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to a maximum nominal amount of ~~£(331,500)~~ **PROVIDED THAT** this authority, unless previously revoked or varied, shall expire on ~~14~~ December 2004.

SPECIAL RESOLUTIONS

8. **THAT** in substitution for all existing and unexercised authorities the Directors of the Company be and they are hereby empowered pursuant to Section 95 of the Act, to allot equity securities (as defined in Section 94 of the Act) pursuant to the authority conferred upon them by the Resolutions 7 as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall expire on ~~14~~ December 2004 provided that 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 such offer or agreement as if the power conferred hereby had not expired.

9. **THAT** subject to:-

- 9.1 the Directors resolving to pay an interim cash dividend of 10p on each of the "C" Ordinary Shares "D" Ordinary Shares and "E" Ordinary Shares ("the **Interim Dividend**") on 15 December 1999 ("the **Dividend Payment Date**"), provided that the Interim Dividend shall not be due or payable on such shares to the extent that the holders of "C" Ordinary Shares "D" Ordinary Shares and "E" Ordinary Shares have made valid elections pursuant to the rights granted to the holders of such shares in accordance with paragraphs 9.2, 9.3 and 9.4 of this written resolution ("the **Stock Dividend Offer**") to receive new shares instead of the Interim Dividend on or prior to the Dividend Payment Date (such holders being referred to as "**Stock Dividend Shareholders**");
- 9.2 the directors granting the holders of each of the "C" Ordinary Shares the right to elect in respect of their entire holding (and not part only) on or before the Dividend Payment Date to receive either the Interim Dividend or 4 "C" Ordinary Shares for every "C" Ordinary Share held instead of the Interim Dividend;
- 9.3 the directors granting the holders of each of the "D" Ordinary Shares the right to elect in respect of their entire holding (and not part only) on or before the Dividend Payment Date to receive either the Interim Dividend or 4 new "D" Ordinary Shares for every "D" Ordinary Shares held instead of the Interim Dividend; and
- 9.4 the directors granting the holders of each of the "E" Ordinary Shares the right to elect in respect of their entire holding (and not part only) on or before the Dividend Payment Date to receive either the Interim Dividend or 5 new "E"

Ordinary Shares for every "E" Ordinary Share held instead of the Interim Dividend;

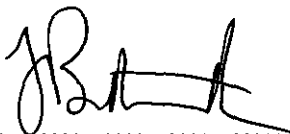
and notwithstanding the provisions of the New Articles

- (a) the payment on the Dividend Payment Date of the Interim Dividend to such holders of the "C" Ordinary Shares "D" Ordinary Shares and "E" Ordinary Shares as have not made valid elections to receive new shares instead of the Interim Dividend pursuant to the Stock Dividend Offer on or prior to the Dividend Payment Date; and
- (b) the allotment and issue of new shares in accordance with the Stock Dividend Offer to the Stock Dividend Shareholders on or prior to the Stock Dividend Payment Date (as the directors in their absolute discretion think fit)

be and are hereby approved and the directors be and they are hereby authorised to take all steps in connection therewith as they may in their absolute discretion consider necessary (including the imposition of any conditions on the Stock Dividend Offer).

10. **THAT** the regulations contained in the printed document annexed hereto and for purposes of identification signed by the Chairman of the board of directors of the Company be approved and adopted as the Articles of Association of the Company in substitution for and to the complete exclusion of all the existing Articles of Association of the Company.

Dated: 15 December 1999

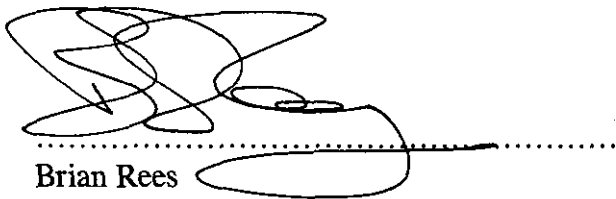


.....
Frank Butterworth

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David Laidler



Brian Rees

Date sent to auditors: 15 December 1999

HLH

Company Number : 2875057

THE COMPANIES ACTS 1985 TO 1989
PUBLIC COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of
THE ARBOR GROUP PLC
(adopted by special resolution dated 15 December 1999)

Halliwell Landau
St James's Court
Brown Street
Manchester
M2 2JF

Company Number : 2875057

THE COMPANIES ACTS 1985 TO 1989
PUBLIC COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION

of

THE ARBOR GROUP PLC

(adopted by special resolution dated 15 December 1999)

PRELIMINARY

- 1.1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 ("Table A") shall apply to the Company save insofar as they are excluded or varied hereby; and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.2 In these Articles the expression "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.
2. In these Articles the following words and expressions shall have the following meanings:-

Board

the board of directors of the Company from time to time;

Consideration

the total consideration paid on completion of a Sale;

financial year and financial period

an accounting reference period (as defined by the Act) of the Company and its subsidiary or subsidiaries;

Group Company

any company which is in relation to another, its holding company, its subsidiary company or a subsidiary of its holding company;

the "C" Ordinary Shareholders

the holders for the time being of issued "C" Ordinary Shares;

the "D" Ordinary Shareholders

the holders for the time being of issued "D" Ordinary Shares;

the "E" Ordinary Shareholders

the holders for the time being of issued "E" Ordinary Shares;

Ordinary Shareholders

the holders for the time being of the issued "C" Ordinary Shares, "D" Ordinary Shares and "E" Ordinary Shares;

the Ordinary Shares

"C" Ordinary Shares, "D" Ordinary Shares and "E" Ordinary Shares;

the paid up amount

in respect of any share, the amount paid or credited as paid on that share, including sums paid, or credited as paid, by way of premium;

Relevant C Share Proportion

one third;

Relevant D Share Proportion

one third;

Relevant E Share Proportion

one third;

Sale

the sale of all of the issued Ordinary Shares to a single purchaser (or to one or more purchasers as part of a single transaction);

subsidiary and holding company

shall have the meanings set out in Section 736 of the Act

SHARES

3. The authorised share capital of the Company at the date of the adoption of these Articles is £1,000,000 divided into:-
 - 3.1 274,997 "C" ordinary shares of £1 each ("C" Ordinary Shares);
 - 3.2 274,997 "D" ordinary shares of £1 each ("D" Ordinary Shares);
 - 3.3 450,006 "E" ordinary shares of £1 each ("E" Ordinary Shares).
4. In these Articles, unless the context requires otherwise, references to "C" Ordinary Shares, "D" Ordinary Shares and "E" Ordinary Shares, shall include shares of those respective classes created and/or issued after the date of adoption of these Articles and ranking pari passu in all respects (or in all respects save only as to the date from which such shares rank for dividend) with the shares of the relevant class then in issue.
5. The Ordinary Shares shall have, and be subject to the following rights and restrictions:-

5.1 Income

Any amount which the Company may resolve to distribute to the Ordinary Shareholders on any occasion ("**the Distributable Amount**") shall be distributed as follows:

- 5.1.1 one-third of the Distributable Amount shall be distributed amongst the holders of the "C" Ordinary Shares pro rata to the numbers of "C" Ordinary Shares held by them;
- 5.1.2 one-third of the Distributable Amount shall be distributed amongst the holders of the "D" Ordinary Shares pro rata to the numbers of "D" Ordinary Shares held by them;
- 5.1.3 one-third of the Distributable Amount shall be distributed amongst the holders of the "E" Ordinary Shares pro rata to the numbers of "E" Ordinary Shares held by them;

5.2 Capital

On a return of capital on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities ("**the Surplus**") shall be distributed as follows:-

- 5.2.1 one-third of the Surplus shall be distributed amongst the holders of the "C" Ordinary Shares pro rata to the numbers of "C" Ordinary Shares held by them;
- 5.2.2 one-third of the Surplus shall be distributed amongst the holders of the "D" Ordinary Shares pro rata to the numbers of "D" Ordinary Shares held by them;
- 5.2.3 one-third of the Surplus shall be distributed amongst the holders of the "E" Ordinary Shares pro rata to the numbers of "E" Ordinary Shares held by them;

5.3 Proceeds of Sale

On a Sale, the Consideration shall be apportioned between the "C" Ordinary Shareholders, "D" Ordinary Shareholders and "E" Ordinary Shareholders as follows:-

- 5.3.1 to the "C" Ordinary Shareholders, the Relevant C Share Proportion, the same to be apportioned amongst the holders of the "C" Ordinary Shares pro rata to the numbers of "C" Ordinary Shares held by them;
- 5.3.2 to the "D" Ordinary Shareholders, the Relevant D Share Proportion, the same to be apportioned amongst the holders of the "D" Ordinary Shares pro rata to the numbers of "D" Ordinary Shares held by them;
- 5.3.3 to the "E" Ordinary Shareholders, the Relevant E Share Proportion, the same to be apportioned amongst the holders of the "E" Ordinary Shares pro rata to the numbers of "E" Ordinary Shares held by them;

5.4 Voting

Each of the "C" Ordinary Shareholders, "D" Ordinary Shareholders and "E" Ordinary Shareholders shall be entitled to receive notice of and to attend at general meetings of the Company.

- 5.4.1 Each of the "C" Ordinary Shareholders shall be entitled to exercise such number of votes at any general meeting of the Company as shall equate in aggregate to one-third of the aggregate number of Ordinary Shares;
- 5.4.2 Each of the "D" Ordinary Shareholders shall be entitled to exercise such number of votes at any general meeting of the Company as shall equate in aggregate to one-third of the aggregate number of Ordinary Shares;

- 5.4.3 Each of the "E" Ordinary Shareholders shall be entitled to exercise such number of votes at any general meeting of the Company as shall equate in aggregate to one-third of the aggregate number of Ordinary Shares;

5.5 Scrip Dividends

- 5.5.1 The Directors may, in respect of any dividend (whether final or interim) declared or proposed to be paid or declared at any time (whether paid or to be paid pursuant to this Article 5 or otherwise with the approval of a Special Resolution of the Company but provided that an adequate number of unissued shares are available for the purpose) determine and announce that (i) the holders of the "C" Ordinary Shares will be entitled to elect to receive in lieu of such dividend (or part thereof) an allotment of further "C" Ordinary Shares credited as fully paid, (ii) the holders of the "D" Ordinary Shares will be entitled to elect to receive in lieu of such dividend (or part thereof) an allotment of further "D" Ordinary Shares credited as fully paid and (iii) the holders of the "E" Ordinary Shares will be entitled to elect to receive in lieu of such dividend (or part thereof) an allotment of further "E" Ordinary Shares credited as fully paid. In each such case the following provisions shall apply.
- 5.5.2 The basis of allotment shall be determined by the Directors and for the avoidance of doubt the "C" Ordinary Shares allotted to the holders of the "C" Ordinary Shares, the "D" Ordinary Shares allotted to the holders of "D" Ordinary Shares and "E" Ordinary Shares allotted to the holders of the "E" Ordinary Shares in each case pursuant to this Article 5.5 may have a nominal value or fair market value equal to greater or lesser than the cash dividend foregone in order to receive such shares.
- 5.5.3 An election pursuant to this Article by (i) any holder of "C" Ordinary Shares to receive an allotment of shares in lieu of a cash dividend in respect of all or part of his holding of "C" Ordinary Shares or (ii) any holder of "D" Ordinary Shares

to receive an allotment of shares in lieu of a cash dividend in respect of all or part of his holding of "D" Ordinary Shares or (iii) any holder of "E" Ordinary Shares to receive an allotment of shares in lieu of a cash dividend in respect of all or part of his holding of "E" Ordinary Shares, shall not affect the amount of the cash dividend payable in respect of any other shares in the Company:

- 5.5.4 The Directors shall give notice in writing to the holders of the "C" Ordinary Shares, "D" Ordinary Shares and/or "E" Ordinary Shares (as the case may be) of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which, and the latest date and time by which, duly completed forms of election must be lodged in order to be effective. An election will be valid only if made by the holder of the relevant "C" Ordinary Shares, "D" Ordinary Shares or "E" Ordinary Shares on the register on the record date specified by the Directors in such notice or in any case where a record date is not specified on the date on which the relevant cash dividend is paid:
- 5.5.5 Where pursuant to this Article an election has been due made in respect of a dividend in respect of "C" Ordinary Shares, "D" Ordinary Shares or "E" Ordinary Shares (as the case may be) (the "elected shares") the dividend shall not be payable in cash but shares shall be allotted in lieu to the holders of the elected shares on the basis of allotment determined in this Article 5.5:
- 5.5.6 For such purpose, the Directors shall (and shall be deemed to have been duly authorised to) capitalise out of such of the sums standing to the credit of the Company's reserves (including any share premium account or capital redemption reserve fund) or profit and loss account as the Directors may determine a sum equal to the aggregate nominal amount of the "C" Ordinary Shares, "D" Ordinary Shares or "E" Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued "C" Ordinary Shares, "D" Ordinary Shares and/or "E" Ordinary Shares for allotment and distribution to and

amongst the holders of the elected shares on such basis: and

5.5.7 The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation. The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ALLOTMENT OF SHARES

6.1 Unless otherwise determined by special resolution of the Company in general meeting, any unissued shares in the capital of the Company from time to time of whatever class which the directors of the Company (the "Directors") propose to issue shall first be offered to the members holding shares of the same class as the shares to be issued in proportion as nearly as may be to the amounts (excluding any premium paid on subscription) paid up on the shares of that class held by them respectively (and such offer shall be at the same price and on the same terms to each such member). The offer shall be made by notice specifying the number, class and price of the shares offered and the proportionate entitlement of the relevant member, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares declined or so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within such period, accepted all the shares offered to them; such further offer shall be made in like terms, in the same manner and limited by a like period as the original offer. If any shares comprised in such further offer are declined or deemed to be declined, such further offer shall be withdrawn in respect of such shares. At the expiration of the time limited by the notice(s), the Directors shall allot the shares so offered to or amongst the members who have notified their willingness to take all or any such shares in accordance with the terms of the offer. No member shall be obliged to take more than the maximum number of shares he has indicated his willingness to take.

- 6.2 Any shares not accepted pursuant to paragraph (a) above or not capable of being so offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by special resolution as therein specified shall be under the control of the Directors who may allot, grant options over or otherwise dispose of them to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to members and provided further that no shares shall be issued at a discount. The foregoing provisions of this article shall have effect subject to Section 80 of the Act.
- 6.3 Save as provided by these Articles to the contrary the Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital at the date of adoption of these Articles at any time or times during the period of five years from the date of the adoption of these Articles and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.
- 6.4 Save as authorised by the Act, the Company shall not give, whether directly or indirectly, any financial assistance (as defined in section 152(1)(a) of the Act) for any such purpose as is specified in section 151 of the Act.
- 6.5 Save as permitted by section 101(2) of the Act, no shares of the Company shall be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium.

LIEN ON SHARES

7. The lien conferred by regulation 8 in Table A shall attach also to fully paid-up shares and the Company shall also have a first and paramount lien on all shares, whether fully paid up or not, standing registered in the name of any person indebted or under any liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all monies presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.
8. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

- 9 The Directors shall be entitled in their absolute discretion to decline to approve a transfer of any shares in the Company.

GENERAL MEETINGS AND RESOLUTIONS

- 10.1 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.
- 10.2 Clause 41 and clause 50 in Table A shall not apply to the Company.

APPOINTMENT OF DIRECTORS

- 11.1 Clause 64 in Table A shall not apply to the Company.

- 11.2 The maximum number and minimum number respectively of the Directors may be determined from time to time by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whensoever the minimum number of directors shall be one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally and clause 89 in Table A shall be modified accordingly.
- 11.3 The Directors shall not be required to retire by rotation and clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 11.4 The Company may by ordinary resolution in general meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- 11.5 The Directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of directors and for the time being in force.

ALTERNATE DIRECTORS

- 12.1 An alternate director shall not be entitled as such to receive any remuneration from the Company save that he may be paid by the Company 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 and the first sentence of clause 66 in Table A shall be modified accordingly.
- 12.2 A director or any such other person as is mentioned in clause 65 in Table A may act as an alternate director to represent more than one director and an alternate director 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,

but he shall count as only one for the purpose of determining whether a quorum is present.

- 12.3 If a director ceases to hold the office of director, any appointment of an alternate director by him shall thereupon cease to have effect.

PROCEEDINGS AT MEETINGS OF DIRECTORS

- 13.1 A director may vote at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 13.2 Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.
- 13.3 Clause 88 in Table A shall apply to the Company save that the Chairman shall not have a second or casting vote.

BORROWING POWERS

14. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

INDEMNITY

- 15.1 Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.
- 15.2 Clause 118 in Table A shall not apply to the Company.
- 15.3 The Directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.