

Company Number: 2953945

THE COMPANIES ACTS 1985 - 89
COMPANY LIMITED BY SHARES
RESOLUTION OF
BARRETT STEEL ENGINEERING LIMITED
PASSED THE 6TH DAY OF MARCH 1998

at the Annual General Meeting of the above named company duly convened and held at 40 York Place, Leeds as a:-

SPECIAL RESOLUTION

That the Articles of Association be altered by the adoption of the new Articles in the form produced to the meeting and initialled by the Chairman for the purposes of identification, in substitution for the existing Articles of Association.



CHAIRMAN



THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed ⁶ ~~11~~ March 1998)

of

BARRETT STEEL ENGINEERING LIMITED

PRELIMINARY

- 1 Subject as hereinafter provided the Regulations contained or incorporated in Table A (hereinafter called "**Table A**") in the Schedule to The Companies (Tables A to F) Regulations 1985 in force at the time of adoption of these Articles shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with Articles hereinafter contained.
- 2 Regulations 2, 24, 54, 64 to 69 (inclusive), 73 to 75 (inclusive) 81 and 118 of Table A shall not apply to the company.

PRIVATE COMPANY

- 3 The Company is a private company and accordingly the Company shall not:-
 - 3.1 offer to the public (whether for cash or otherwise) any shares in or debentures of the Company;
 - 3.2 allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

SHARE CAPITAL

- 4.1 The authorised share capital of the Company at the date of adoption of these Articles is £75,428,570 divided into 800,000 "A" Ordinary Shares of £0.01, 1,624,242 "B" Ordinary Shares of £0.01 and 5,118,615 Deferred Shares of £0.01.
- 4.2 In these Articles except where the context otherwise requires references to "A" Ordinary Shares, "B" Ordinary Shares and Deferred Shares shall be deemed to 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 shall rank for dividend) with the shares of the relevant class then in issue.

By

- 5 In these Articles terms defined in the Shareholders Agreement shall bear the same meaning in these Articles save where the context otherwise requires and the following words shall have the following meanings:-
- 5.1 the "**Accounts**" shall mean the audited profit and loss account of the Company or, if the Company has any Subsidiary or Subsidiaries, a consolidation of the audited profit and loss accounts of the Company and its Subsidiary or Subsidiaries, for each financial year. Such audited profit and loss account or (as the case may be) audited consolidated profit and loss account referred to in this sub-paragraph shall be prepared:-
- 5.1.1 under the historical cost convention; and subject thereto;
- 5.1.2 in accordance with generally accepted accounting principles and all applicable Statements of Standard Accounting Practice and Financial Reporting Standards.
- 5.2 "**Adjusted Profits**" shall mean a sum equal to the net profit of the Company or, if the company has any Subsidiary or Subsidiaries, the consolidated net profit of the Company and its Subsidiary or Subsidiaries for the financial year in question (as disclosed (to the nearest pound) by the Accounts):-
- 5.2.1 after deduction of interest paid or payable by the Company and its Subsidiaries for the financial year in question;
- 5.2.2 before any provision or reserve shall have been made for or in respect of:-
- (a) any extraordinary or exceptional item or prior year adjustments which reduce the said net profit or consolidated net profit in the financial year in question;
- (b) corporation tax (or any other tax levied upon or measured by reference to profits or gains) on the profits earned and gains realised by the Company and/or its Subsidiaries in the financial year in question;
- (c) the payment of any dividend or other distribution on or in respect of any share in the capital of the Company or of any of its Subsidiaries or for the transfer of any sum to reserves;
- (d) the amortisation or writing off of goodwill or other intangible assets;
- 5.2.3 before any credit shall have been taken for or in respect of any extraordinary or exceptional items or prior year adjustments which increase the said net profit or consolidated net profit in the financial year in question;
- 5.2.4 if the Accounts have not been prepared on the historical cost accounting basis after such adjustment as may be necessary to produce the same result as that which would have resulted if the Accounts had been prepared on that basis.
- 5.3 "**Cost**" shall mean in relation to any share capital of the Company the amount of capital (including premium) for the time being paid up or credited as paid up thereon.
- 5.4 "**credited as paid up**" shall in relation to any share include any sums paid up or credited as paid up including sums paid by way of premium on its subscription.



- 5.5 **"equity share capital"** shall mean all the "A" Ordinary Shares, and "B" Ordinary Shares in issue.
- 5.6 **"financial year"** and **"financial period"** shall mean an accounting reference period (as defined by the 1985 Act as defined below) of the Company and its Subsidiary or Subsidiaries.
- 5.7 **"Shareholders Agreement"** shall mean an agreement of even date between James Stephenson Barrett and Others (1), the Company (2), K.B. (C.I.) Nominees Limited and Others ("the Investors") (3), Granville Private Equity Managers Limited (4), Apax Partners & Co Ventures Limited (5) and Trade Indemnity plc (6).
- 5.8 **"Investor Associate"** shall mean in relation to each Member of the Investors Group an Investor Associate of such Member as defined in or for the purpose of the Shareholders Agreement.
- 5.9 The **"Investors Group"** shall mean the Investors and any person to whom the Investors (or any Investor Associate of the Investors) may transfer shares in the capital of the Company in accordance with Article 11.1 and **"Member of the Investors Group"** shall be construed accordingly.
- 5.10 **"Quotation"** shall mean either of the following events:-
- 5.10.1 the effective admission of the whole of the issued Ordinary Share capital of the Company to the Official List of the Stock Exchange; or
- 5.10.2 the unconditional grant of permission to deal in the whole of the issued Ordinary Share capital of the Company in the Unlisted Securities Market of the Stock Exchange or the admission of the same to, or grant of permission by any like authority for the same to be traded on any other equivalent or similar market.
- 5.11 **"Sale"** shall mean the sale of the whole or substantially the whole of the issued "A" Ordinary Shares, "B" Ordinary Shares and Deferred Shares.
- 5.12 **"Subsidiary"** and **"Holding Company"** shall have the meanings respectively ascribed thereto by Section 736 of the Companies Act 1985 (the **"1985 Act"**), as amended by Section 144 of the Companies Act 1989 (the **"1989 Act"**).
- 5.13 **"The Stock Exchange"** shall mean the International Stock Exchange of Great Britain and the Republic of Ireland Limited.
- 5.14 **"Ordinary Shares"** means the "A" Ordinary Shares and the "B" Ordinary Shares.
- 6 The "A" Ordinary Shares, "B" Ordinary Shares and Deferred Shares shall have and enjoy the following rights and be subject to the following restrictions:-
- 6.1 As regards income:-
- 6.1.1 in respect of any financial year of the Company the profits of the Company for the time being available for distribution shall be applied:-



- (a) first in paying the holders of the "B" Ordinary Shares and in priority to the payment of any dividend to the holders of all or any other shares in the capital of the Company a fixed net cash cumulative dividend at the rate of 1.66 pence per "B" Ordinary Share (the "**Fixed Dividend**") which shall accrue on a daily basis payable half yearly on 31 March and on 30 September in every year;
- (b) next in paying the holders of the "B" Ordinary Shares in respect of the financial period ended 30 September 1998 and each subsequent financial year payment of a net cash cumulative dividend (the "**Participating Dividend**") of in aggregate a sum equivalent to 18% of the Adjusted Profits for each such financial year less the aggregate amount of the Fixed Dividend paid in each such financial year. The Participating Dividend shall accrue on a daily basis and shall be payable at the date which falls four months after the end of the financial year to which such dividend relates or 14 days after the annual general meeting at which the Accounts for the relevant financial year are placed before the Members of the Company, whichever is the earlier; and
- (c) subject to payment in full of the Fixed Dividend and Participating Dividend as detailed above and all (if any) arrears of the same any further profits which the Company may determine to distribute in respect of any financial year shall be applied amongst the holders of the "A" Ordinary Shares and "B" Ordinary Shares *pari passu* as if the same constituted one and the same class of shares;
- (d) the holders of the Deferred Shares are entitled to a fixed non-commulative dividend at the rate of 5% per annum of the nominal value thereof for any financial year of the Company in respect of which the Adjusted Profits of the Company exceed £5,000,000,000.

6.1.2 for the avoidance of doubt it is hereby expressly provided that:-

- (a) each of the Fixed Dividend(s) and Participating Dividend shall be paid in the amounts or at the rates mentioned together with (and not inclusive of) the imputed tax credit at the rate from time to time prevailing;
- (b) each of the Fixed Dividend and Participating Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same is expressed to be, and shall in the event of it not being paid be, "cumulative" the amounts due and payable on such days or at such times shall *ipso facto* and without any resolution of the Directors or the Company in General Meeting (and notwithstanding anything contained in Regulations 103 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the holders of the "B" Ordinary Shares entitled to such dividend (subject only to there being profits out of which the same may lawfully be paid);
- (c) the Company shall procure that the profits of each Subsidiary for the time being available for lawful distribution shall be paid to it by way of dividend if and to the extent that but for such payment the Company would not itself otherwise have sufficient profits available for the distribution to pay in full any Fixed Dividend or Participating Dividend;

- (d) if any Fixed Dividend or Participating Dividend is not paid in full (for whatever reason) on the due date for payment of the same then as from such date interest shall accrue on the amount unpaid at the rate of three per cent per annum above the base rate of Midland Bank plc from time to time and shall be paid at the same time as the amount to which it relates is paid or, if such amount remains outstanding on 31 March or 30 September in any year, on such half yearly dates to the extent accrued at that time.
- 6.2 As regards capital, on a return of capital on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied:-
- 6.2.1 first, in paying to the holders of the "B" Ordinary Shares:-
- (a) the amount of 10p on each "B" Ordinary Share; and
 - (b) a sum equal to any arrears deficiency or accruals of the Fixed Dividend and the Participating Dividend thereon (including interest if applicable) (such arrears deficiency or accruals to be calculated down to the date of the return of capital on the basis that such dividends are payable irrespective of whether they have been declared or not);
- 6.2.2 next and subject to 6.2.1 in repaying to the holders of the "A" Ordinary Shares the amount of 10p on each "A" Ordinary Share;
- 6.2.3 and subject thereto the balance (if any) of such assets shall belong to and be distributed amongst the holders of the "A" Ordinary Shares and the "B" Ordinary Shares *pari passu* as if the same constituted one and the same class of share;
- 6.2.4 the holders of Deferred Shares are entitled to a return of the capital paid up on the Deferred Shares held by them respectively after a total of £10,000,000 has been distributed on such winding up in respect of each "A" Ordinary Share.
- 6.3 As to Voting rights, subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Articles on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote and on a poll every member who is present in person or by a proxy or (being a corporation) is present by a representative shall (except as hereinafter provided) have one vote for every share in the capital of the Company of which he is the holder the Deferred Shares shall not entitle the holders to attend or vote at any such meetings.

ALLOTMENT OF SHARES

- 7.1 Unless otherwise determined by Special Resolution of the Company in General Meeting and subject as provided in paragraphs 7.1 and 7.2 of this Article any original shares for the time being unissued and any new shares from time to time to be created shall before they are issued be offered to the holders of the same class of shares in proportion to the number of shares existing in the capital of the Company then held by them. Such offer shall be made by notice specifying the number and class of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered or any of them, the Directors shall offer the shares to declined in like manner to the other holders of shares of the same class. If the shares comprised in



such further offer are declined or deemed to be declined such further offer shall be withdrawn. The provisions of Sections 89 and 90 of the Act shall have effect only insofar as they are not inconsistent with this Article.

- 7.2 Subject as aforesaid and to the provisions of Section 80 of the Act the shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount.
- 7.3 Notwithstanding anything herein or elsewhere contained or implied no share in the capital of the Company whether original or new and with and subject to whatever rights and restrictions shall be issued or made the subject of any option without the prior written consent of the Lead Investors.

VARIATION OF CLASS RIGHTS

- 8 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be one person at least holding or representing by proxy one third in nominal amount of the issued shares of that class and the holders of shares of that class shall on a poll have one vote in respect of every share of that class held by them respectively.

PROVIDED THAT without prejudice to the generality of this Article it is a term of the issue of the "B" Ordinary Shares that the rights attached to such shares shall be deemed to be varied by the occurrence of any of the following events:-

- 8.1 any increase in or the granting of an option over or alteration or variation or reduction of the authorised or issued capital of the Company or any Subsidiary or any alteration or variation of any of the rights attached to or any redemption or purchase by the Company or any Subsidiary of any of the shares for the time being in the capital of the Company or any Subsidiary; or
- 8.2 the sale or other disposal of the undertaking of the Company or any Subsidiary or the sale or other disposal (otherwise than to the Company or a wholly-owned Subsidiary of the Company) of any part of the undertaking of the Company or any Subsidiary which constitutes a substantial part of the undertakings of the Company and its Subsidiaries taken as a whole and so that for the purposes of this paragraph "**a substantial part**" means such part as at the date of such sale or disposal has an aggregate book value of more than 20% of the aggregate net asset value of the Company and its Subsidiaries as shown in the books thereof; or
- 8.3 any disposal or issue (otherwise than to the Company or its wholly-owned Subsidiaries) of any issued or unissued share capital of any of the Subsidiaries; or
- 8.4 any resolution for the reduction of the share capital of the Company or any Subsidiary or any uncalled liability in respect thereof; or

- 8.5 any resolution (whether pursuant to Part II of the 1985 Act or otherwise) whereby the classification or status of the Company or any Subsidiary may be changed; or
- 8.6 any exercise by the Company or any Subsidiary of the powers conferred by Section 719 of the 1985 Act; or
- 8.7 any alteration of the Memorandum of Association or Articles of Association of the Company or any Subsidiary; or
- 8.8 any resolution to wind up the Company or any Subsidiary;

AND FURTHER PROVIDED that without prejudice to the generality of this Article it is a term of the issue of the "A" Ordinary Shares that the rights attached to such Shares shall be deemed to be varied by:-

- 8.8.1 any resolution to increase the maximum number of directors of the Company; or
- 8.8.2 any increase in or the granting of an option over or alteration or variation or reduction of the authorised or issued capital of the Company or any Subsidiary or any alteration or variation of any of the rights attached to or any redemption or purchase by the Company or any Subsidiary of any of the shares for the time being in the capital of the Company or any Subsidiary; or
- 8.8.3 any resolution for the reduction of the share capital of the Company or any Subsidiary or any uncalled liability in respect thereof; or
- 8.8.4 any alteration of the Memorandum of Association or Articles of Association of the Company or any Subsidiary.

LIEN

- 9 The lien conferred by regulation 8 in Table A shall attach to fully paid up shares, and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

TRANSFERS OF SHARES

- 10.1 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share (whether or not it is fully paid), other than a transfer made pursuant to and in accordance with the provisions of Article 11 or Articles 10.2, 10.3 and 13 hereof.
- 10.2 The Directors shall not register any transfer of "A" Ordinary Shares without the prior written consent of the Lead Investors.
- 10.3 The Directors shall not register any transfer of "A" Ordinary Shares unless the transferee of such Shares has entered into an undertaking (in such form as the Directors may require) to be bound by the provisions of the Shareholders Agreement.
- 11.1 A member of the Investors Group may at any time transfer all or any Shares (or any interest therein) to:-

- 11.1.1 an Investor Associate; or
 - 11.1.2 another member of the Investors Group; or
 - 11.1.3 its nominee or from one nominee to another nominee of a member of the Investors Group; or
 - 11.1.4 the beneficial owner for the time being of the above shares.
- 11.2 Subject to Article 13.15, and to clauses 3 and 14 of the Shareholders Agreement, a member of the Investors Group may at any time transfer all or any Shares or any interest therein.
- 12 In Article 13 the following words shall bear the following meanings:-
- 12.1 "**Shares**" shall mean "A" Ordinary Shares or "B" Ordinary Shares (as appropriate);
 - 12.2 "**Remaining Shares**" shall mean the Shares of any other class to the class of which the Shares belong but excluding the Deferred Shares;
 - 12.3 "**Member**" shall mean a holder of "A" Ordinary Shares or of "B" Ordinary Shares;
 - 12.4 "**Proposing Transferor**" shall mean a Member proposing to dispose of Shares or any interest therein;
 - 12.5 "**Transfer Notice**" shall mean a written notice served by a Member on the Company indicating his desire to dispose of Shares or any interest therein;
 - 12.6 the "**Prescribed Price**" shall mean the price per Share specified in the Transfer Notice or (if no price shall be so specified) the price per Share certified by the Auditors pursuant to Article 13.2 hereof;
 - 12.7 "**Purchaser**" shall mean a Member willing to purchase Shares comprised in a Transfer Notice;
 - 12.8 the "**Priority Rights**" shall mean the rights of Members to purchase Shares comprised in a Transfer Notice in the priority stipulated in Article 13.4 hereof.
- 13 The right to transfer Shares or any interest therein shall be subject to the following restrictions, namely:-
- 13.1 save as provided in Article 11 before transferring any Shares (or any beneficial interest therein) the Proposing Transferor shall serve a Transfer Notice on the Company and the Transfer Notice shall constitute the Company his agent for the sale of the Shares therein mentioned at the Prescribed Price to any Member or Members. Except as hereinafter provided, a Transfer Notice once given or deemed to be given shall not be revocable except with the consent of the Directors;
 - 13.2.1 forthwith upon receipt of any Transfer Notice which does not specify any price per Share, the Company shall request the Auditors for the time being of the Company (acting as experts and not as arbitrators) to certify the Prescribed Price;

13.2.2 the Auditors shall within 14 days of such a request by the Company certify to the Company the Prescribed Price, that is to say the value per Share of the Shares comprised in the Transfer Notice calculated on the following basis, namely:-

- (a) by determining the sum which a willing purchaser would offer to a willing vendor for the whole of the issued "A" and "B" Ordinary share capital of the Company;
- (b) by dividing the sum by the number of "A" Ordinary and "B" Ordinary Shares in issue;
- (c) by making such adjustment (if any) as the Auditors consider necessary to allow for any rights which may be outstanding whereunder some person, firm or body corporate may call for the issue of further "A" Ordinary Shares or "B" Ordinary Shares; and

so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Shares;

13.3 all Shares included in any Transfer Notice shall, within 14 days following receipt of the Transfer Notice or (in a case falling within paragraph 13.2 of this Article) on receipt of the certificate of the Auditors as to the Prescribed Price, be offered by the Company to each Member (other than the Proposing Transferor) in accordance with the Priority Rights for purchase at the Prescribed Price. All such offers of Shares shall be made by notice in writing and every such offer shall limit the time (not being less than thirty days) within which the offer must be accepted or, in default, will be deemed to have been declined;

13.4 the Company shall offer any Shares comprised in a Transfer Notice to the following Members in the following priority:-

13.4.1 first to the other holders of Shares of the same class; and subject thereto;

13.4.2 to the holders of the Remaining Shares;

and it is hereby declared for the avoidance of doubt that:-

- (a) any Member to whom Shares are offered in accordance with the Priority Rights shall be at liberty to accept all or some only of the Shares so offered;
- (b) in the event of there being more than one holder of any class of Shares to whom an offer falls to be made pursuant to the Priority Rights the Shares on offer shall be offered to such holders in proportion as nearly as may be to their existing holdings of Shares of that class and the Directors' decision as to the number of Shares which shall be "in proportion as nearly as may be to their existing holdings of Shares of that class" shall be conclusive final and binding on the parties hereto;
- (c) in the event that a holder of any class of Shares to whom an offer falls to be made pursuant to the Priority Rights declines to accept all of the Shares offered to him, such Shares shall be re-offered in like manner and upon the same terms to those holders of Shares of the same class who accepted all the

Shares previously offered to them and such re-offering shall be repeated until such time as all the Shares have been accepted or until the holders of Shares of the same class shall have declined to accept any more of them;

- 13.5 if the Company shall after making offers in accordance with the Priority Rights within the periods for acceptance find a Purchaser or Purchasers willing to purchase some only of the Shares comprised in the Transfer Notice, the Company shall within 7 days of the expiry of the latest period for acceptance give notice of that fact to the Proposing Transferor who shall if such Transfer Notice contained a condition to the effect that if Purchasers for all of the Shares comprised in such Transfer Notice shall not have been found then none of such Shares shall be sold (a "**Total Transfer Condition**") shall be entitled to revoke his Transfer Notice by written notice given to the Company within 7 days of receiving the said notice from the Company (the "**Withdrawal Period**");
- 13.6 if the Company shall after making offers in accordance with the Priority Rights within the periods for acceptance find a Purchaser or Purchasers willing to purchase the Shares concerned or any of them it shall (following the expiry of the Withdrawal Period, if applicable) give notice in writing thereof to the Proposing Transferor and he shall be bound, (subject always to the provisions of Article 10.2 and 10.3), upon payment of the Prescribed Price, to transfer such Shares for which there is a Purchaser or Purchasers to the respective Purchasers thereof. Every such notice shall state the name and address of each Purchaser 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;
- 13.7 if in any case a Proposing Transferor, after having become bound to transfer any Shares to a Purchaser, shall make default in transferring the Shares, the Directors may authorise some person to execute on behalf of and as attorney for the Proposing Transferor any necessary instruments of transfer and may receive the purchase money and shall thereupon cause the name of the Purchaser to be entered in the Register as the holder of the relevant Shares and shall hold the purchase money in trust for the Proposing Transferor. 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 name of the Purchaser has been entered in the Register in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person;
- 13.8 if the Company shall not within the period for acceptance find a Purchaser or Purchasers willing to purchase all or (if applicable) some of the Shares comprised in the Transfer Notice of the Proposing Transferor shall at any time within three months after the Directors have so confirmed their inability to him in writing be at liberty (subject always to the provisions of Article 10.2 and 10.3) to transfer those Shares for which the Company has not found Purchasers, or, if the Proposing Transferor has revoked his Transfer Notice in accordance with the Provisions of paragraph 13.5 of this Article, all (but not some only) of the Shares comprised in the Transfer Notice, to any person not being a Member on a bona fide sale at any price not being less than the Prescribed Price. 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 instrument of transfer without any deduction rebate or allowance whatsoever to the Purchaser;

13.9 a person entitled to a Share in consequence of the death, bankruptcy, receivership or liquidation of a Member shall be bound at any time, if and when called upon in writing by the Directors so to do, to give a Transfer Notice (without specifying a price per Share) in respect of all the Shares then registered in the name of the deceased or insolvent Member. Regulations 29 to 31 of Table A shall take effect accordingly;

13.10.1 in the event that any Director (not being a Director appointed pursuant to clause 5 of the Shareholders Agreement) or employee of the Company or a Subsidiary ceases for any cause to be such a Director or employee without remaining or becoming a Director or employee of the Company or Subsidiary (as the case may be) such Director or employee (hereinafter referred to as a "Leaver") shall (unless and to the extent that the Lead Investors agree otherwise at the relevant time) be deemed to have given on the date of such cessation a Transfer Notice in respect of all of the Shares held by him and any earlier Transfer Notice given by the Leaver shall be deemed to have been withdrawn;

13.10.2 in the event that the circumstances in which the Leaver ceases to hold office or be employed are such as to constitute the Leaver as an Early Leaver (as defined below) and if the date on which such Transfer Notice is deemed to be given pursuant to Articles 13.10.1 is prior to the fifth anniversary of the date upon which the Leaver first became a Director or an employee of the Company or any Subsidiary then if the Prescribed Price of such Shares determined pursuant to Article 13.2 is more than the nominal value of each of such Shares then the nominal value shall be the Prescribed Price for each of such Shares;

13.10.3 in the event that the circumstances in which the Leaver ceases to hold office or be employed are such as to constitute the Leaver as an Other Leaver (as defined below) and the date on which such Transfer Notice is deemed to be given pursuant to Article 13.10.1 (the "**Transfer Notice Date**") is prior to the fifth anniversary of the date upon which the Leaver first became a Director or an employee of the Company or any Subsidiary; (the "**Relevant Date**") then the Prescribed Price to be determined pursuant to Article 13.2 shall unless the Board (with the consent of the Lead Investors) otherwise decides be the Prescribed Price adjusted as follows namely:-

Transfer Notice Date

Before the First Anniversary of the Relevant Date	Lower of nominal value or Prescribed Price
Between the First and Second Anniversary of the Relevant Date	$N + \frac{(P - N)}{4}$
Between the Second and Third Anniversary of the Relevant Date	$N + \frac{(P - N)}{2}$

Between the Third and Fourth	$N + \frac{3(P - N)}{4}$
Anniversary of the Relevant Date	4
After the Fourth Anniversary of	The Prescribed Price
the Relevant Date	

Where:

N = the Nominal Value of the Shares held by the Leaver;

P = the Prescribed Price of the Shares held by the Leaver as determined pursuant to Article 13.2;

for the purposes of this Article 13.10.3 the Transfer Notice Date shall be deemed to be within the First Anniversary of the Relevant Date if notice of termination of such office or employment is given to an Other Leaver within the First Anniversary of the Relevant Date;

13.10.4 in the event that the circumstances in which the Leaver ceases to hold office or be employed are such as to constitute the Leaver as a Good Leaver (as defined below) then the provisions of Article 13.2 shall apply and the Prescribed Price of such Shares shall be determined accordingly;

13.10.5 in this paragraph 13.10:-

- (a) a "**Good Leaver**" shall mean a Director or employee who ceases to be a Director or employee of the Group by virtue of ill health, sickness, retirement, death or wrongful dismissal or who is permitted by the Board to terminate his contract of employment on compassionate grounds;
- (b) an "**Early Leaver**" shall mean a Director or employee who ceases to be a Director or employee by virtue of the termination of his contract of employment with the Group by reason of dishonesty, gross misconduct or any other conduct which is in the opinion of the Board calculated or likely to affect prejudicially the interests of the Group whether or not such dishonesty, misconduct or other conduct occurs during or in the context of such Director or employee's employment by the Group;
- (c) an "**Other Leaver**" shall mean a Director or employee who ceases to be a Director or employee of the Group other than in circumstances constituting him a Good Leaver or an Early Leaver;

13.10.6 (a) if any Transfer Notice is deemed to be given pursuant to subparagraph 13.10.1 of this Article then the Lead Investors may within 21 days by written notice to the Company (an "**Employee Priority Notice**") require that all or any such Shares to which such Transfer Notice relates should be made or kept available for a period not

exceeding 6 months either for any person or persons who is or are (an) existing Director(s) and/or employee(s) of the Company or of a Subsidiary or a person or persons (whether or not then ascertained) who it is proposed should be appointed as (a) Director(s) and/or employee(s) of the Company or of a Subsidiary whether or not in place of the person(s) by whom the relevant Transfer Notice was deemed to be given (a "New Employee") and the provisions of paragraph (b) below shall apply;

(b) if an Employee Priority Notice is given then in relation to the Shares the subject thereof (the "**Employee Shares**") the provisions of subparagraph 13.4 of this Article shall not apply and the Employee Shares shall either:-

(i) be offered to the person(s) and (in the case of more than one, the proportion) specified in the Employee Priority Notice (conditional, in the case of any prospective Director and/or employee, upon his taking up his proposed appointment with the Company or its Subsidiary (if not then taken up); or

(ii) if the relevant Employee Priority Notice so requires, be offered to not less than 2 persons designated by the Lead Investors to be held (in the event of their acquiring the Employees Shares) on trust for a New Employee as and when appointed (but so that such New Employee may be required (at the direction of the Lead Investors) to make payment for the Employees Shares at the time when the same are transferred to him;

13.11 For the purpose of ensuring that a transfer of Shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required or deemed to be given hereunder the Directors may from time to time require any member or past Member or the legal personal representatives or trustee in bankruptcy, receiver or liquidator of any Member or any person named as transferee in any instrument of transfer lodged for registration to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after such request, the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to stipulate by notice in writing that a Transfer Notice has been deemed to be given in respect of the Shares concerned;

13.12 in any case where under the provisions of these presents a Transfer Notice has been deemed to have been given in respect of any Shares, the provisions of these presents shall take effect but so that the right of revocation conferred by paragraph 13.5 of this Article shall not apply;

13.13 any notice required to be given under this Article by the Company to a Member or by a Member to the Company or otherwise shall be given or served either personally or by sending it by first class post to the registered office of the Company or to the registered address of the Member (as the case may be) or, (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. When a notice is sent by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter



containing the notice and to have been effected at the time at which the letter would be delivered in the ordinary course of post;

13.14 With the consent in writing of all Members for the time being the restrictions imposed by this Article may be waived or varied in relation to any proposed transfer of Shares;

13.15.1 If at any time the Investors wish to transfer all of their Shares to any person (including a member of the Investors' Group) (the "**third party**") then the Investors shall have the option (the "**Come Along Option**") to require all of the other holders of Shares (the "**Called Shareholders**") to transfer to the third party or as the third party directs all of the Shares held by such Called Shareholders;

13.15.2 the Investors may only exercise the Come Along Option in accordance with clauses 13 and 14 of the Shareholders Agreement;

13.15.3 the Investors may only exercise the Come Along Option by giving notice to that effect (the "**Come Along Notice**") to the Called Shareholders specifying that the Called Shareholders are required to transfer all of their Shares (the "**Called Shares**") pursuant to this paragraph 13.15;

13.15.4 a Come Along Notice, once given, is irrevocable but both the Come Along Notice and all obligations under the Come Along Notice will lapse if for any reason the Investors do not transfer their Shares to the third party;

13.15.5 the Called Shareholders shall be obliged to sell the Called Shares at the price per share to be paid by the third party to the Investors in respect of their Shares less any amount paid in respect of arrears of dividend provided always that in the event that the Investors and the third party are connected or acting in concert then the price per Share shall not be less than a fair value determined by the Auditors in accordance with paragraph 13.2 provided that they shall take into account that the whole of the share capital of the Company is to be sold;

13.15.6 upon the exercise of the Come Along Option in accordance with this paragraph each of the Called Shareholders shall be bound to sell its Called Shares for the price determined pursuant to paragraph 13.15.5 and otherwise (save insofar as its consistent with the same) in accordance with this Article 13;

13.15.7 if any of the Called Shareholders shall make default in selling its Called Shares in accordance with paragraph 13.15.6 the Chairman for the time being of the Company or failing him one of the Directors or some other person duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholders with such power to execute, complete and deliver in the name and on behalf of such Called Shareholders a transfer of the relevant Called Shares and any Director may receive and give a good discharge of the purchase money on behalf of such Called Shareholders and (subject to the transfer being duly stamped) enter the name of the third party in the Register of members as the holder or holders by transfer of the Called Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate



bank account in the Company's name and shall hold such money on trust (but without interest) for such Called Shareholders until they shall deliver up a certificate or certificates for the relevant shares to the Company and they shall thereupon be paid the purchase money;

13.15.8 completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Investors to the Called Shareholders except that:-

(a) the Investors may not specify a date that is less than 14 days after the date of the Come Along Notice; and

(b) the date so specified by the Investors shall be the same date as the date proposed for completion of the sale of the Investors' Shares unless all of the Called Shareholders and the Investors agree otherwise.

14 No share shall be issued or transferred to any bankrupt or person of unsound mind.

15 The Directors may decline to register the transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless:-

15.1 it is lodged at the registered office of the Company or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

15.2 it is in respect of only one class of shares;

15.3 it is in favour of not more than four transferees.

16 In regulation 32 of Table A there shall be substituted for the words "Ordinary Resolution" the words "Special Resolution".

GENERAL MEETING

17 Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the auditor for the time being of the Company.

NUMBER OF DIRECTORS

18 Unless and until the Company in general meeting shall otherwise determine the number of Directors shall be not less than two nor more than six.

DISQUALIFICATION OF DIRECTORS

19 The office of a Director shall be vacated:-

19.1 if by notice in writing to the Company he resigns the office of director;



- 19.2 if he becomes bankrupt or enters into any arrangement with his creditors;
 - 19.3 if he is prohibited from being a Director by an order made under the provisions of Section 295 of the 1985 Act;
 - 19.4 if he becomes of unsound mind;
 - 19.5 if he is removed from office by a resolution duly passed under Section 303 of the 1985 Act;
 - 19.6 if he is a Nominated Director and is removed by a Lead Investor; or
 - 19.7 if he is removed under Article 21.
- 20 Any person may be appointed or elected as a Director, whatever may be his age, and no Director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or another age.

REMOVAL OF DIRECTORS

- 21 In addition and without prejudice to the provisions of Section 303 of the 1985 Act, the Company may by Extraordinary Resolution remove any Director before the expiration of his period of office and may by Ordinary Resolution appoint another Director in his stead. A person appointed in place of a Director so removed shall be subject to retirement as if he had become a Director on the day on which the Director in whose place he is appointed was last elected by Director.

ALTERNATE DIRECTORS

- 22 A Director may at any time appoint any other person (whether a Director or Member of the Company or not) to act as alternative Director at any meeting of the Board at which the Director is not present, and may at any time revoke such appointment. An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to Directors. An alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the Director by whom he was appointed. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director. Where a Director who has been appointed to be an alternate Director is present at a meeting of the Board in the absence of his appointor such alternate Director shall have one vote in addition to his vote as Director. Every appointment and revocation of appointment of an alternate Director shall be made by instrument in writing under the hand of the Director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

PROCEEDING OF DIRECTORS

- 23 In regulation 89 of Table A the words "may be fixed by the Directors and unless so fixed at any other number" in the first sentence thereof shall be deleted.

QUORUMS

- 24.1 No meeting of the Board shall be quorate unless those Directors present include both (if such a Director then holds office) a Director appointed pursuant to clause 5 of the Shareholders Agreement (or a duly appointed alternate director of such Director) or a representative appointed pursuant to clause 8 of the Shareholders Agreement and an executive Director or a duly appointed alternate director of such Director.
- 24.2 Unless otherwise restricted by these Articles all or any of the Directors or members of a committee of the Directors or such committee by conference telephone or similar communications equipment by means of which all persons participating at such meeting can hear and be heard by each other and such participation shall constitute presence in person at the meeting.

DIVIDENDS

- 25 Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 6.1 hereof and in regulation 103 of Table A the words from "If the share capital is divided" to the end of the regulation shall be deleted.

INDEMNITIES

- 26 Every Director or other officer of the Company shall be entitled to 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 judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the 1985 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 1985 Act as amended by the Companies Act 1989.