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THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
CHRISTOWS HOLDINGS LIMITED

As adopted by Special Resolution
passed on 5th October 1994

MICHELMORES
Solicitors

18 Cathedral Yard Exeter EX1 1HE DX 8304 Exeter
Tel 01392 436244 Fax 01392 215579
e-mail: michelmores@dial.pipex.com

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PRELIMINARY

1 The regulations contained or incorporated in Table A of the Schedule to the Companies (Tables A-F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as they are excused or varied hereby.

The following regulations of Table A shall not apply to the Company: 40, 41, 50, 53, 54, 64, 65 to 69 (inclusive), 73 to 78 (inclusive), 80, 81, 87, 89 and 93 (inclusive).

In addition to the remaining regulations of Table A as varied hereby, the following shall be the regulations of the Company.

Words importing the singular number include the plural and vice versa.

Words importing the masculine, feminine or neuter genders shall each include the others. References to persons shall include bodies corporate, unincorporated associations and partnerships

DEFINITIONS

2. In these Articles unless the context otherwise requires the following expressions shall bear the following meanings:

Expression	Meaning
"the Act"	the Companies Act 1985
"Auditors"	the auditors for the time being of the Company
"Connected Person"	connected persons as defined by section 839 of the Income and Corporation Taxes Act 1988
"Controlling Interest"	an interest (within the meaning of Schedule 13 Part I and section 324 of the Act) in shares in a company conferring in the aggregate 30 per cent or more of the total voting rights conferred by all the issued shares in such company
"Convertible Preference Shares"	the 6% convertible preference shares of £1 each in the share capital of the Company
"B Convertible Preference Shares"	the B 6% convertible Preference Shares of £1 each in the share capital of the Company
"Deed of Adherence"	a deed supplemental to the Investment Agreement substantially in the form set out in Schedule 3 thereof
"Investment Agreement"	the investment agreement dated with the same date as the adoption of these Articles entered into between the Promoters (1) the Company (2) and the Investors (3) and any agreement supplemental thereto
"Investor Director"	any person appointed as such pursuant to Article 19

"Investors"	John Duncan & Company Limited, John Gunn and John Greenwood, Appletree Holdings Limited
"Offer"	<p>Either:</p> <p>(a) the making of an offer to purchase all the equity share capital of the Company which is accepted in relation to such percentage of such share capital as, when aggregated with such share capital, if any, already held by the offeror, will result in the offeror acquiring more than 80 per cent of the equity share capital of the Company; or</p> <p>(b) the entering into of one or more agreements which (taking account of such share capital if any already held by such person) will result in any person acquiring more than 80 per cent of the equity share capital of the Company, which agreements become unconditional</p>
"Ordinary Shares"	the ordinary shares of 10 pence each in the share capital of the Company
"Promoters"	Bruce Robertson Gibson Michael Charles Phillips Paul Wilcox and Robert Keith Young
"Redeemable Preference Shares"	the floating rate redeemable preference shares of £1 each
"Sale Date"	<p>the date upon which either:</p> <p>(a) the offer or the agreement respectively referred to in the definition of "Offer" is or</p>

becomes unconditional (other than as specified in that definition); or

- (b) if later, the date on which such offer or agreement is due to be completed in accordance with its terms

"Transfer Notice"

as defined in Article 11(a)

ALLOTMENT OF SHARES

3. Subject to:

- (a) any direction to the contrary which may be given by ordinary or other resolution of the Company; and
- (b) any statutory provision

any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the directors may determine

- 4. (a) The directors are by this Article authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act). Such authority shall be for the general and unconditional exercise of such power and the maximum amount of relevant securities that may be the subject of allotment (within the meaning of the said section 80) under such authority shall be equal to the amount of unissued but Authorised Share Capital of the Company at the date of adoption of these articles. Unless renewed, such authority will expire on the date five years from the date of the adoption of these Articles save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement accordingly. The amount of a relevant security shall, in the case of a share in the

Company, mean its nominal amount, and in the case of a right to subscribe for or to convert any security into shares in the Company mean the nominal amount of shares in the Company which will be required to satisfy such right (assuming full exercise)

- (b) The directors may allot equity securities (as defined in the Act) pursuant to the authority contained in Article 4(a) as if Section 89(1) of the Act did not apply to such allotment. This power shall cease to have effect when the authority contained in Article 4(a) expires. The Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after it has expired and the directors may allot equity securities in pursuance of any such offer or agreement Provided however that the power conferred hereby shall be limited to:-

- (i) the allotment of equity securities in connection with or pursuant to any arrangement whereby the holders of Ordinary Shares and Convertible Preference Shares at a record date adopted for the purpose are entitled to acquire any securities of the Company issued for cash in the proportion (as nearly as may be) to:-

(aa) in the case of holders of Ordinary Shares such holders holding of Ordinary Shares; or

(bb) in the case of holders of Convertible Preference Shares such number of Ordinary Shares that they would have held had all their Convertible Preference Shares been converted into Ordinary Shares immediately prior to the record date

Subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems

- (ii) the allotment of 400,000 Convertible Preference Shares to the Investors

- (iii) the allotment of up to 50,000 Ordinary Shares under any approved Share Option Scheme

SHARES

- 5. The authorised share capital of the Company is £1,220,000 divided into 900,000 Convertible Preference Shares 50,000 Redeemable Preference Shares 120,000 B Convertible Preference Shares and 1,500,000 Ordinary Shares.

The rights attaching to the respective classes of shares shall be as follows:

- (a) **Income**

Subject to the Company complying in all respects with the requirements from time to time of the Securities and Futures Authority ("SFA") the profits of the Company available for distribution shall be applied in the following order:-

- (i) in paying to the holders of the Convertible Preference Shares a fixed preferential cash dividend of six pence per annum on each share ("Convertible Preference Dividend") payable half yearly on 31st March and 30th September
- (ii) in paying to the holders of the Redeemable Preference Shares a preferential cash dividend calculated on the nominal amount paid up on the Redeemable Preference Shares at the rate equivalent to 2.75% per annum above the base rate from time to time of National Westminster Bank (net of any tax credit) ("the Redeemable Preference Dividend") which shall accrue on a daily basis and shall be payable half-yearly on 31st March and 30th September each year
- (iii) subject to the Company having paid the Convertible Preference Dividend and the Redeemable Preference Dividend in respect of that financial year to the holders of the Ordinary Shares a dividend for such year on each Ordinary Share of an amount recommended by the directors of the Company

- (b) Unless the Company has insufficient profits available for distribution and the Company is therefore prohibited from paying dividends by that Act and subject to the Rules of the SFA the Convertible Preference Dividend and the Redeemable Preference Dividend shall (notwithstanding Regulations 102 to 108 inclusive

contained in Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation or resolution of the Directors of resolution or of the Company in general meeting) be paid immediately on the due date

- (c) The Company shall take all reasonable steps lawfully available to it to ensure that its profits available for distribution are sufficient to enable the lawful and prompt payment of the Convertible Preference Dividend and the Redeemable Preference Dividend on the due dates, such steps to include (without limitation) the distribution to the Company by its subsidiaries of the whole or part of the profits available for distribution from time to time of such subsidiaries and the preparation of such interim accounts of the Company and its subsidiaries by reference to which profits available for distribution might fall to be calculated but subject always to the provisions of Parts V and VIII of the Companies Act 1985.

- (d) If any dividend due on the Convertible Preference Shares or the Redeemable Preference Shares is not paid within 10 working days of the due date, the right to that dividend shall lapse and the Company shall be under no obligation to pay that dividend.

(e) **Capital**

On a return of assets on liquidation or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares) the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (i) first, in paying to the holders of the Convertible Preference Shares an amount per share equal to the nominal value of such share at the time of subscription together with any premium thereon together with a sum equal to any arrears, deficiency or accruals of the dividend payable on the Convertible Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not but not further or otherwise; and
- (ii) second, in paying to the holders of the Redeemable Preference Shares an amount per share equal to the nominal value of such share at the time of subscription together with any premium thereon and together with a

sum equal to any arrears, deficiency or accruals of the dividend payable on the Redeemable Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not but not further or otherwise

- (iii) third, in paying to the holders of the Ordinary Shares the balance of the assets of the Company.

(f) **Conversion of Convertible Preference Shares**

The holders of the Convertible Preference Shares may at any time after 1st January 1995 convert on the basis of 10 Convertible Preference Shares for 3 Ordinary Shares the Convertible Preference Shares held by them into Ordinary Shares and the following provisions shall have effect:-

- (i) conversion shall be effected by notice in writing ("Conversion Notice") given to the Company signed by a holder specifying the number of Convertible Preference Shares to be converted and the conversion shall take effect as soon as reasonably practicable after the date of delivery of the Conversion Notice and in any event within 21 days of the date of delivery of the Conversion Notice to the Company.
- (ii) Conversion of such Convertible Preference Shares as are due to be converted shall be effected in such manner as may be authorised or permitted by law and as the directors shall from time to time determine for the purpose of effecting the exercise of the conversion rights attaching to the Convertible Preference Shares.
- (iii) Any fractions of Ordinary Shares arising on conversion shall not be allotted to the holders of the Convertible Preference Shares otherwise entitled thereto but (if arrangements can be so made) will be aggregated and sold to such persons as the directors shall determine on behalf of such holders at the best price reasonably obtainable and the net proceeds of sale distributed pro rata among such holders save that such net proceeds otherwise due to any such holder will be retained for the benefit of the Company if they amount to less than £3. For the purpose of implementing these provisions the directors may appoint some person to execute transfers or renunciations on behalf of persons who would

otherwise have been entitled to any such fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.

- (iv) forthwith thereafter the holder of the Ordinary Shares resulting from the conversion shall send to the Company the certificate in respect of his holding of Convertible Preference Shares (or such indemnity in lieu thereof as the Company may reasonably require) and the Company shall issue to such holder a certificate for the Ordinary Shares resulting from the conversion;
- (v) the Ordinary Shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the remaining Ordinary Shares in the capital of the Company provided that they will not rank for any dividends declared made or paid on the Ordinary Shares before the date of the notice effecting conversion; and
- (vi) on the date of conversion the Company shall, subject to the provisions of the Act pay to the holders of the Convertible Preference Shares a sum equal to all arrears, deficiency or accruals of dividends on the Convertible Preference Shares calculated on a daily basis to the date of conversion

(g) **Conversion of B Convertible Preference Shares**

The holders of the B Convertible Preference Shares may at any time after 1st January 1997 convert on the basis of 1 B Convertible Preference Shares for 1 Ordinary Share the B Convertible Preference Shares held by them into Ordinary Shares and the following provisions shall have effect:-

- (i) conversion shall be effected by notice in writing ("B Conversion Notice") given to the Company signed by a holder specifying the number of B Convertible Preference Shares to be converted and the conversion shall take effect as soon as reasonably practicable after the date of delivery of the B Conversion Notice and in any event within 21 days of the date of delivery of the B Conversion Notice to the Company;
- (ii) conversion of such B Convertible Preference Shares as are due to be converted shall be effected in such manner as may be authorised or

permitted by law and as the directors shall from time to time determine for the purpose of effecting the exercise of the conversion rights attaching to the B Convertible Preference Shares;

- (iii) forthwith thereafter the holder of the Ordinary Shares resulting from the conversion shall send to the Company the certificate in respect of his holding of B Convertible Preference Shares (or such indemnity in lieu thereof as the Company may reasonably require) and the Company shall issue to such holder a certificate for the Ordinary Shares resulting from the conversion;
- (iv) the Ordinary Shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the remaining Ordinary Shares in the capital of the Company provided that they will not rank for any dividends declared made or paid on the Ordinary Shares before the date of the notice effecting conversion; and
- (vi) on the date of conversion the Company shall, subject to the provisions of the Act pay to the holders of the B Convertible Preference Shares a sum equal to all arrears, deficiency or accruals of dividends on the B Convertible Preference Shares calculated on a daily basis to the date of conversion

(h) **Redemption of the Redeemable Preference Shares**

- (i) Subject to the provisions of the Act and the rules of the SFA the Company shall have the right pursuant to Section 160 of the Act to redeem at par the whole or any part of the Redeemable Preference Shares at any time after the date of issue of the said shares
- (ii) Any Notice of redemption shall specify the particular shares to be redeemed, the date fixed for redemption and the time and the place at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.

6. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of 75 per cent in nominal value of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). All the provisions of these Articles relating to general meetings of the company shall, mutatis mutandis, apply to every such separate meeting, except that:

- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class or, at any adjourned meeting of such holders, those holders present in person or by proxy by a duly authorised representative of a member corporation, whatever the amount
- (b) any holder of shares of the class present in person or by proxy or by a duly authorised representative of a member corporation may demand a poll; and
- (c) the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively

Without prejudice to the generality of this Article, the special rights attached to the Convertible Preference Shares shall be deemed to be varied:

- (i) by any alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or by any variation of the rights attached to any of the shares for the time being in the capital of the Company; or
- (ii) by the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company; or
- (iii) by the holding of a meeting of the Company or any of its subsidiaries for the purpose of considering or by the passing of a resolution for the winding up of the Company or any of its subsidiaries; or

- (iv) by the holding of a meeting of the Company or of any of its subsidiaries for the purpose of considering, or by the passing of a resolution for amending the memorandum or articles of association of the Company.

7. Subject to:

- (a) the provisions of Part V of the Act; and
- (b) any rights attaching to any class of share of the Company; and
- (c) the rules of the SFA

the Company may:

- (i) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;
- (ii) purchase any of its own shares (including any redeemable shares); and
- (iii) make payment in respect of the redemption or purchase, pursuant to sections 159 and 160 or (as the case may be) section 162 of the Act and the relevant power under (i) or (ii) may be satisfied and payment made otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by section 171 and 172 of the Act

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 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

9. Each share in the capital of the Company shall bear a distinguishing number.

TRANSFER AND TRANSMISSION OF SHARES

- 10. (a) Any member (the "Transferor") wishing to sell any of his shares in the Company or the beneficial interest therein ("Sale Shares") shall give notice in writing (a "Transfer Notice") to the directors that he wishes to sell his Sale Shares. The Transfer Notice shall specify the class of share being sold the proposed transferee of such Sale Shares and the price at which the Transferor is proposing to sell the Sale Shares ("Sale Price")
- (b) Within 14 days of receipt of the Transfer Notice by the directors the directors shall be entitled to serve notice on the Transferor ("Purchase

Notice") stating that the Sale Shares are for a period of 28 days from service of the Purchase Notice to be offered to Shareholders and the Company in accordance with paragraph (c) below and that if the directors find purchasers for all the Sale Shares within the said 28 day period the Transferor shall be obliged to sell the Sale Shares to those persons nominated by the directors at the Sale Price

(c) Within 2 days of service of a Purchase Notice, the directors shall first give notice in writing (a "First Offer Notice") of the details of the Transfer Notice to all other holders of shares of the same class to those comprised in the Transfer Notice offering them the Sale Shares in the same proportion, as nearly as may be, as the nominal amount of their existing holding of such class of shares bears to the total nominal amount of such class of shares in issue ("their due proportion") at the Sale Price (a "First Offer").

(d) If the Sale Shares are Ordinary Shares or Redeemable Preference Shares a First Offer shall be limited to a period of 21 days (the "First Period") from the date when the First Offer Notice is given and shall, if not accepted within the First Period, by any of the persons to whom it is made be deemed to have been declined by them. The First Offer shall, if any other such members do not accept their due proportion, give the members of the Company to which it is made the right to claim shares offered in addition to their due proportion. If any such members do not accept their due proportion then the unaccepted shares shall be distributed among those members of the Company claiming additional shares in proportion, or as nearly as may be, to their said holdings up to the maximum number of shares that each member is prepared to take. If, by the expiry of the First Period any Ordinary Shares or Redeemable Preference Shares comprised in a First Offer remain unaccepted the directors shall if the Company has sufficient distributable profits offer the unaccepted Sale Shares to the Company. The Company shall accept the offer if it serves notice on the Transferor within the balance of the 28 day period referred to in paragraph (b) above

- (e) If the Sale Shares are Convertible Preference Shares then the First Offer shall be limited to a period of 15 days ("the First Period") from the date when the First Offer Notice is given and shall if not accepted within the First Period by any of the persons to whom it has been made be deemed to have been declined by them. The First Offer shall if any other such members do not accept their due proportion give the members of the Company to which it is made the right to claim shares offered in addition to their due proportion. If any such members do not accept their due proportion then the unaccepted shares shall be distributed amongst those members claiming additional shares in proportion, or as nearly as may be to their said holdings up to the maximum number of shares each member is prepared to take. If by the expiry of the First Period any Sale Shares remain unaccepted the directors shall forthwith offer the unaccepted Sale Shares to the holders of Ordinary Shares in their due proportion. The holders of Ordinary Shares shall have 7 days from the expiry of the First Period in which to accept the Sale Shares offered to them. If some of the holders of Ordinary Shares do not accept their due proportion then the unaccepted Sale Shares shall be offered in proportion to those holders of Ordinary Shares who have indicated that they would be prepared to accept more than their due proportion up to the maximum number of Sale Shares each holder of Ordinary Shares is prepared to take. If after the Sale Shares have been offered to the holders of Ordinary Shares some of the Sale Shares remain unaccepted the directors shall if the Company has sufficient distributable profits offer the unaccepted Sale Shares to the Company. The Company shall accept the offer by serving notice on the Transferor within the balance of the 28 day period referred to in paragraph (b) above
- (f) If the Transferor, after having become bound to transfer his shares as aforesaid, makes default in transferring the same the Company may receive the purchase money tendered by the relevant transferee and the proposed Transferor shall be deemed to have appointed any one director

or the secretary of the Company as his agent to execute a transfer of the shares which are the subject of the Transfer Notice to the transferee and upon the execution of such transfer the Company shall hold the purchase money in trust for the Transferor. The receipt of the Company for the purchase money shall be a good discharge to the transferee and after his name has been entered on the Register of Members in purported exercise of the powers conferred by this Article 10(f), the validity of the proceedings shall not be questioned by any person.

- (g) If the Company cannot find purchasers (including itself) for all the Sale Shares in the 28 day period specified in (b) above it shall so notify the Transferor who shall be at liberty within a period of one month from receipt of such notification on a bona fide sale to transfer all the Sale Shares together with the beneficial interest therein to the person specified in the Transfer Notice at the Sale Price in which case the directors may require to be satisfied in such manner as they may reasonably think fit that such shares are being transferred in pursuant of a bona fide sale and the directors, if not so satisfied, may refuse to register or approve the transfer
- (h) Any Transferee of the Sale Shares who is not already a member of the Company shall not be entered in the Register of Members nor shall the Sale Shares transferred to the Transferee have any rights whatsoever until the Transferee has delivered a Deed of Adherence to the Company
- (i) Any transfer of shares made otherwise than in accordance with the foregoing provisions of this Article shall be void and have no effect **PROVIDED THAT** the foregoing provisions of Article 10 may be set aside with the consent in writing of the holders of 75 per cent in nominal value of the Convertible Preference Shares in issue and with the consent in writing of the holders of 75 per cent in nominal value of the Ordinary Shares in issue.

TRANSFER OF CONTROL

11. (A) All other regulations of the Company relating to the transfer of shares or any interests and the right to registration of transfers shall be read subject to the provisions of this Article 11.
- (B) If a proposed transferee of shares in the Company or his nominee receives within a period of 21 days of first making an offer to all holders of Ordinary Shares at the same price and on the same terms acceptances of such offer which will (subject only to the exercise of Article 10) result in such transferee or his nominee owning not less than 80 per cent by nominal value of the Ordinary Shares of the Company then such proposed transferee or his nominee may extend such offer. If the proposed transferee extends such offer then if within 14 days of the expiry of the period of 21 days referred to above, such transferee or his nominee gives written notice to those members who have not accepted such offer requiring them so to do, then each of such non-accepting members shall upon the giving of such notice (i) be deemed to have accepted the same in respect of all shares held by him in accordance with the terms of the offer and to have irrevocably waived any rights he may have in relation to the transfer of any of such shares and (ii) become obliged to deliver up to such transferee or his nominee an executed transfer of such shares and the certificate(s) in respect of the same. For the purposes of this Article 11(B) the holders of the Convertible Preference Shares shall be obliged to accept the offer made in accordance with this Article 11(B) if the offer made for each Convertible Preference Share is equivalent to the offer made for Ordinary Shares on the basis of the number of Ordinary Shares that the Convertible Preference Shares will convert into.
- (C) If any such non-accepting member as is referred to in Article 11(B) shall not, within 14 days of becoming required to do so, execute transfers in respect of the shares held by such member, then the directors shall be entitled to, and shall, authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf

and, against receipt by the Company (on trust for such member) of the purchase moneys payable for the relevant shares, deliver such transfer(s) to the proposed transferee or his nominee and register such transferee or his nominee as the holder thereof, and after such transferee or his nominee has been registered as the holder the validity of such proceedings shall not be questioned by any person.

GENERAL MEETINGS AND RESOLUTIONS

12. (a) 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.
- (b) Notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.
- (c) The directors shall procure that the accounts of the Company in respect of any financial year are audited and laid before the Company in an Annual General Meeting to be held not later than four months after the end of the financial year to which they relate.
13. No business shall be transacted at any meeting unless a quorum is present. A quorum shall consist of 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 member corporation.
14. One member present in person or by proxy or the chairman of the board of directors of the Company may demand a poll and Regulation 46 of Table A shall be deemed to be varied accordingly.

VOTING

15. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every holder of Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have

one vote for every 10 pence in nominal amount of shares in the capital of the Company of which he is the holder. **PROVIDED THAT** the holders of the Convertible Preference Shares the Redeemable Preference Shares or the B Convertible Preference Shares shall be entitled to receive notice of all general meetings but shall not be entitled to attend or vote at any general meeting unless

- (a) any dividend relating to the Convertible Preference Shares or the Redeemable Preference Shares or the B Convertible Preference Shares has not been paid within six months of the relevant date set out in Article 5
- (b) the holders of the Convertible Preference Shares or the holders of the Redeemable Preference Shares or the holders of the B Convertible Preference Shares (as the case may be) have given notice in writing to the Company requiring payment of arrears of dividend on the relevant Convertible Preference Shares or Redeemable Preference Shares or B Convertible Preference Shares within seven days of the date of such notice; and
- (c) such seven days notice expires without either:
 - (i) payment of such arrears of dividend; or
 - (ii) the making of proposals in respect of such arrears or redemption, being proposals accepted by the holders of not less than 75 per cent in nominal value of the Convertible Preference Shares or by the holders of not less than 75 per cent in nominal value of the Redeemable Preference Shares or by the holders of not less than 75 per cent in nominal value of the B Convertible Preference Shares (as the case may be);

when the holders of the Convertible Preference Shares or the holders of the Redeemable Preference Shares or the holders of the B Convertible Preference Shares (as the case may be) shall have one vote for each preference share held by them

16. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a General Meeting, or by their duly appointed attorneys, shall be as valid

and effectual as if it had been passed at a General Meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their duly appointed attorneys and signature, in the case of a body corporate which is a member, shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

DIRECTORS

17. Unless and until the Company in General Meeting shall otherwise determine the number of directors shall not be less than two nor more than seven. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
18.
 - (a)
 - (i) For so long as it is the holder of equity share capital of the Company, John Duncan & Company Limited ("John Duncan") shall be entitled from time to time by notice in writing to the Company to appoint as a director of the Company any one person (an "Investor Director") and to remove from office any person so appointed and to appoint another person in his place.
 - (ii) An Investor Director shall not be required to hold any share qualification nor shall he be subject to retirement by rotation. The Company will pay John Duncan such sum as the directors shall from time to time determine in respect of the remuneration of the Investor Director. The Company shall reimburse all expenses of an Investor Director properly incurred in the performance of his duties whether such duties are performed on behalf of the company or one of its subsidiaries. An Investor Director shall be entitled (in accordance with the Articles) to appoint an alternate to act on his behalf as a director of the Company and the Company's obligations to an Investor Director shall extend to such alternate.

- (b) An Investor Director shall be entitled to report back to the Investors upon the affairs of the Company and its subsidiaries and to disclose such information as he shall reasonably consider appropriate to the Investors.

19. The quorum for the transaction of the business of the directors shall be two, **PROVIDED THAT:**

- (a) one such director shall be an Investor Director, if any has been appointed; and
- (b) if a quorum is not present within thirty minutes after the time appointed for the meeting, the meeting shall be adjourned until two days later at the same time and place or at such other time or place as the directors may determine and at such adjourned meeting a quorum shall consist of any two directors of the Company.

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

20. In Regulation 84 of Table A the last sentence thereof shall be deemed to be deleted.

21. The chairman of the board of directors of the Company shall have no second or casting vote and Regulation 88 of Table A shall be varied accordingly.

BORROWING POWERS

22. Subject to the rules of the SFA the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital, or any part thereof, and, subject to the provisions of section 80 of the Act and any resolutions of the Company in General Meeting passed pursuant thereto, 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

POWER TO ESTABLISH PENSION SCHEMES ETC

23. The directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons (including directors and other

officers) who are or shall have been at any time in the employment or service of the Company or of any Company which is a subsidiary of or associated with the Company or of the predecessors in business of the Company or any such subsidiary or associated Company and the wives, widows, families or dependants of any such persons.

DISQUALIFICATION

24. The office of a director, shall be vacated if:
- (a) he is prohibited from being a director by an order made under any of sections 5 (inclusive) of the Company Directors Disqualification Act 1986 or any act replacing such act;
 - (b) he becomes bankrupt or a receiving order is made against him or he makes any arrangement or composition with his creditors generally;
 - (c) he becomes incapable, by reason of mental disorder, illness or injury, of maintaining and administering his property and affairs;
 - (d) by notice in writing to the Company he resigns his office; or
 - (e) he ceases to be a director by virtue of section 293 of the Act.
25. In Regulation 79 of Table A the second sentence and third sentence thereof shall be deemed to be deleted.

POWERS AND DUTIES OF DIRECTORS

26. Subject to compliance with the provisions of section 317 of the Act, a director shall be entitled to vote in respect of any contract or arrangement or proposed contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.

PROCEEDINGS OF DIRECTORS

27. A resolution in writing signed or approved by letter, facsimile or telex by all the directors for the time being entitled to receive notice of a meeting of directors shall be as effective as a resolution passed at a meeting of the directors duly convened and held and may consist of several documents in the same terms each signed or approved by one or more of the directors.
28. Meetings of the directors may, if a majority of the directors so agree, be held by telephone or audiovisual communication **PROVIDED THAT** the number of directors participating in such communication is not less than the quorum stipulated

by these Articles and such meetings shall, subject to notice thereof having been given in accordance with these Articles, be as effective as if the directors had met in person. A resolution made by a majority of the said directors in pursuance of this Article shall be as valid as it would have been if made by them at a meeting duly convened and held in person.

ALTERNATE DIRECTORS

29. (a) Each director shall have power, by notice in writing under his hand addressed to the secretary of the Company (which shall take effect on the service thereof at the registered office of the Company) to nominate:
- (i) any other director; or
 - (ii) any person approved for that purpose by the directors (such approval not to be unreasonably withheld or delayed);
- to act as his alternate, and at his discretion to remove such alternate director **PROVIDED ALWAYS THAT** the approval of the directors shall not be required in respect of any such nomination made by an Investor Director. On such appointment being made the alternate director shall be for all purposes counted as a director of the company and, except as regards remuneration and the power to appoint an alternate, shall, while so acting, be entitled to exercise and discharge all the functions, power and duties of the director whom he represents. Any person acting as alternate shall have a vote for each director for whom he acts as alternate in addition, where such person is a director, to his own vote but shall not be considered as more than one director for the purpose of making a quorum of directors. An alternate director shall not be entitled to any remuneration from the Company.
- (b) An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director or on the happening of any event which if the alternate were a director would cause him to vacate such office. An alternate director shall, during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor. An appointment of an alternate shall not prejudice the right of the appointor to receive notice of and to attend and vote at

meetings of the board of directors. An alternate director shall not be entitled to any remuneration from the Company.

NOTICES TO MEMBERS

30. A notice may be given by the Company to any member either personally or by sending it by prepaid first class post or facsimile to the address specified in the register of members of the Company. A properly addressed and prepaid notice sent by post shall be deemed to have been served at an address within the United Kingdom at the expiry of 2 days after the notice is posted. Where a notice is given by facsimile service of the same shall be deemed to be effected upon receipt of telephone or other confirmation of its receipt.

INDEMNITY

31. In addition to the indemnity contained in Regulation 118 of Table A and subject to the provisions of section 310 of the Act, every director, agent, auditor, secretary and other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities properly incurred by him in or about the execution and discharge of the duties of his office and in regulation 118 of Table A the words "or auditor" shall be omitted.
32. Without prejudice to the provisions of regulation 118 of Table A and subject to the provisions of section 310 of the Act, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company or of any other company which is its holding company or of a subsidiary of the Company or of any such other company or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in respect of the Company or any such other company, subsidiary or pension fund.