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The Companies Act 1985
(As amended by the Companies Act 1989)
Private Company Limited by Shares

MEMORANDUM OF ASSOCIATION

of Accuread Limited



1. The Company's name is Accuread Limited*.
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:-
 - (a) To act as a general commercial company and in particular but without prejudice to the generality of the foregoing to undertake and carry on the business or businesses of reading and inspection of meters or other monitoring, recording of other electrical equipment or apparatus, whether installed or located in domestic, industrial, commercial or other premises or locations, for and on behalf of any company or utility engaged in the supply of water, gas, electricity or other service and for such purpose to employ, supply or introduce such personnel or staff on a contractual or other basis; and
 - (b) To carry on the businesses of installing, maintaining, repairing and working metering and recording instruments and electronic, electrical and mechanical apparatus, equipment and fittings of all kinds; to act as advisors to any individual, firm, organisation, company, corporation, public body, government department, agency or other authority in connection with all aspects of management, control, planning, technology and other technical assistance in connection with such trade or business and to generally act as consultants and advisors; and
 - (c) To provide, or procure the provision by others, of any service, need or requirements of any nature required by any person, firm or company in connection with any business carried on by them; and
 - (d) To engage and research into all problems relating to personnel and industrial and business management and distribution and to collect, collate and distribute information and statistics relating to any type of business, industry or technology and to promote or propose such methods, procedures and measures as may be considered appropriate; and
 - (e) To act as agents or managers in carrying on any business concerns and undertakings and to employ experts to investigate and examine the condition,

*The name of the company was changed from the Metering Reading Agency Limited by Special Resolution dated 30 July 1996.

management, prospects and value of any business or undertaking and generally of any assets, property or rights or any kind; and

- (f) To carry on business as manufacturers, merchants, importers, exporters, repairers, dealers and agents for the sale and purchase of instruments, apparatus, appliances and accessories of all kinds for indicating, recording, controlling, measuring and timing usage, pressure, humidity, flow, depth, density, movement and temperature and electrical currents and resistances and for other purposes, and material of all kinds being used in connection with them; and
- (g) to undertake and execute agency or commission work of all kinds and to act generally as agents, factors and brokers for the provision of all or any services or the sale or purchase of goods.
- (h) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company.
- (i) To acquire by purchase, lease, exchange, hire or otherwise, or to hold for any estate or interest, any land, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock in trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business.
- (j) To erect, alter or maintain any buildings, plant and machinery necessary or convenient for the company's business and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (k) To acquire by subscription or otherwise and hold, sell, deal with, make a market in or dispose of any shares, stocks, debentures, debenture stock, or other securities of any kind whatsoever, guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stock and other securities of any kind guaranteed by any Government or Authority, Municipal, Local or otherwise, whether at home or abroad and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by the ownership thereof.
- (l) To receive money on deposit or otherwise either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or on all or any of the assets of the Company including uncalled capital and generally to act as bankers.
- (m) To borrow and raise money in any manner and to secure with or without consideration the repayment of any money borrowed, raised, or owing by mortgage, charge, debenture, debenture stock, bond, standard security, lien or any other security of whatsoever nature upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, debenture, debenture stock, bond, standard security, indemnity, lien or security of whatsoever nature to secure and guarantee the performance by the Company or any other company or person (including, but without prejudice to the generality of the foregoing) the holding company of the Company or any company which is a subsidiary of such holding company within,

in each case, the meaning of Section 736 and Section 736(A) of the Companies Act 1985 (the "Act") as amended by the Companies Act 1989, of any obligation or liability it or such person or company may undertake or which may become binding upon it or such person or company, and to secure any securities of the Company by a Trust Deed or other assurance and to enter into partnership or any joint purse arrangement with any person, persons, firm or company.

- (n) To lend money with or without security, and to invest money of the Company upon such terms as the Company may approve, and to guarantee the dividends, interest and capital of the shares, stocks or securities of any company of or in which the Company is a member or is otherwise interested, and generally as the Directors think fit.
- (o) To apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so acquired.
- (p) To take part in the formation, management, supervision or control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, consultants, experts or agents.
- (q) To employ experts, consultants and valuers to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (r) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition or taking over of all or any of the assets or liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or the interests of the Company and to acquire, hold or dispose of shares, stocks or securities issued by or any other obligations of any such other company.
- (s) To draw, accept, make, endorse, discount, execute, issue and negotiate promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable instruments.
- (t) To invest and deal with the monies of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as the Company may approve.
- (u) To pay for any property or rights acquired by the Company either in cash or by the issue of fully or partly paid up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid up shares or stock of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend,

repayment of capital, voting or otherwise, or in debentures or mortgages or other securities of any company or corporation or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired.

- (w) To enter into arrangements for joint working in business or amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as directly or indirectly to benefit the Company.
- (x) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, or company carrying on any business the carrying on of which is calculated to benefit the Company or to advance its interests, or possessed of property suitable for the purposes of the Company.
- (y) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licenses, easements, and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (z) To provide for the welfare of persons employed or formerly employed by the Company and to grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or of any associated company of the Company or its predecessors in business or the dependants of such persons and to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory), with a view to providing pensions or other funds for any such persons as aforesaid or their dependants.
- (aa) To subscribe to or otherwise aid the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or its predecessors in business or not, and to institute and maintain any club or other establishment.
- (bb) To distribute in specie assets of the Company properly distributable amongst the members, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (cc) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company 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 of their powers and or otherwise in relation to their duties, powers or offices in relation to the Company, and to such extent as may be permitted by law or otherwise to indemnify or to exempt any such person against or from any such liability.

- (dd) To do all or any of the things hereinbefore authorised, either alone or in conjunction with others, or as factors, trustees or agents for others, or by or through factors, trustees or agents.
- (ee) Subject to, and always in compliance with, the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (ff) To do all such other things (whether similar to any of the foregoing or not) as are incidental to or which the Company may think conducive to the above objects or any of them.

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one of more of the said sub-clauses.

- 4. The liability of the Members is limited.
- 5. The Share Capital of the Company is £100000 divided into 51000 'B' Ordinary Shares of £1 each and 49000 'A' Ordinary Shares of £1 each**

**The share capital of the company was increased from £100 divided into 100 ordinary shares of £1 each by Special Resolution dated 14 October 1996.

WE, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses of Subscribers

Number of shares takes by each Subscriber

MICHAEL HARRINGTON
28 Arlington Avenue
London
N1 7AX

ONE

ZOE DOLPHIN
63 Nickelby Close
Thamesmead
London
SE28 8LY

ONE

Dated the 3rd day of January 1995

WITNESS to the above Signatures:-

JOANNE VINES
28 Formain Court
De Beauvoir Road
London
N1 5SX

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ACCUREAD LIMITED

(Adopted by Special Resolution on 14 October 1996)

1. PRELIMINARY

The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended by the Companies (Table A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association. References herein to regulations are to regulations in the said Table A.

2. PRIVATE COMPANY

The Company is a private company within the meaning of Section 1(3) of the Companies Act 1985 and accordingly the Company shall not:

- 2.1 offer to the public (whether for cash or otherwise) any shares in or debentures of the Company; or
- 2.2 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.

3. INTERPRETATION

- 3.1 In the first line of regulation 1 after the word "regulations" the words "and in any articles adopting in whole or in part the same" shall be inserted.

- 3.2 In these Articles:

- (a) unless the context otherwise requires the following expressions have the following meanings:-

"A" Director"

means any director for the time being appointed and holding office pursuant to Article 19.1;

"Additional Director"

means any director for the time being appointed and holding office pursuant to Article 19.3;

"A" Ordinary Shares"

means the "A" Ordinary Shares of £1 each in the share capital of the Company from time to time;

"B" Director

means any director for the time being appointed and holding office pursuant to Article 19.2;

““B Ordinary Shares”

means the “B” Ordinary Shares of £1 each in the share capital of the Company from time to time;

“Deemed transfer notice”

means a transfer notice deemed to be given under any provision of these Articles or any Relevant Agreement;

“Group”

means a group of companies in which any party hereto is either a holding company or a subsidiary as those expressions are respectively defined in Section 736 of the Companies Act 1985;

“Ordinary Shares”

means “A” Ordinary Shares and “B” Ordinary Shares in the capital of the Company;

“Paid up”

means, in relation to an Ordinary Share, that such share is paid up or credited as paid up;

“Relevant Agreement”

means any agreement relating (in whole or in part) to the management of the Company which is binding from time to time on the Company and its member's and which (expressly or by implication) supplements and/or prevails over any provision of these Articles;

“shares”

means a share in the capital of the Company of whatever class; and

“transfer notice”

has the meaning attributed thereto in Article 13.1;

- (b) words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of adoption of these Articles;
- (c) words importing the singular number shall include the plural and vice versa, and words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships;
- (d) references to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears.

3.3 A special or extraordinary resolution shall be effective for any purpose for which an

ordinary resolution is expressed to be required under any provision of the regulations or these Articles.

4. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £100,000 divided into 49,000 "A" Ordinary Shares and 51,000 "B" Ordinary Shares of £1 each.

5. INCOME AND CAPITAL

5.1 The "A" Ordinary Shares and the "B" Ordinary Shares shall be separate classes of share but save as hereinafter otherwise provided shall carry the same rights and privileges (which rights and privileges shall attach to each class of shares as a class right), and shall rank *pari passu* in all respects.

5.2 Each Ordinary Share from time to time in issue in the capital of the Company shall carry the right to receive:-

5.2.1. the balance of the profits which the Company determines lawfully to distribute in respect of any financial year of the Company, divided by the number of Ordinary Shares in issue on the date by reference to which such distribution is to be made; and

5.2.2 on a return of assets in a winding up of the Company or other return of capital by the Company the balance of the assets of the Company remaining after payment of its liabilities and available for distribution among the members divided by the number of Ordinary Shares in issue when such return is to be made.

6. VOTING RIGHTS

Subject to any special rights or restrictions as to voting attached to the Ordinary 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 by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote, and on a poll every holder of Ordinary Shares shall have one vote for every Ordinary Share of which he is the holder.

7. SHARE REDEMPTION

The Ordinary Shares shall not be redeemable.

8. ISSUE OF NEW SHARES AND INCREASE IN CAPITAL

8.1 Except with the prior written consent of all the members:

(a) no shares shall be allotted or issued to any person; and

(b) the powers referred to in Regulations 3, 32, 33, 34, 35 and 110 shall be exercised

only in a manner to maintain the proportions of 49% "A" Ordinary Shares and 51% "B" Ordinary Shares.

- 8.2 Subject as aforesaid and subject to Section 80 of the Act, all unissued 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.
- 8.3 Section 89(1) and sub sections (1) to (6) of Section 90 of the Act shall not apply to the Company.

9. VARIATION OF CLASS RIGHTS

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 the 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 two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class, that 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 and that any holder of shares of the class present in person or proxy may demand a poll.

10. LIENS

The lien conferred by regulation 8 shall attach also to fully paid up shares and the Company shall also have a first and paramount lien on any shares, whether fully paid or not, standing registered in the name of any persons 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 for all moneys presently payable by him or his estate to the Company. Regulation 8 shall be modified accordingly.

11. TRANSFER OF SHARES

- 11.1 The directors shall refuse to register the transfer of any share unless such transfer is permitted by, or is made pursuant to and in accordance with Article 12 or Article 13 and/or the provisions of any Relevant Agreement. The directors shall also refuse to register the transfer of any share which is prohibited under Article 14 or the provisions of any Relevant Agreement.
- 11.2 Subject to Articles 11.3 and 11.6, the directors shall not be entitled to decline to register the transfer of any share which is permitted by, or is made pursuant to and in accordance with Article 12 or Article 13 or the provisions of any Relevant Agreement.
- 11.3 For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles or under the provision of any Relevant Agreement, the directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the directors may think necessary or relevant. Failing such information or evidence being

furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

- 11.4 If a member or other person entitled to transfer a share at any time attempts to deal with or dispose of the share or any interest therein otherwise than in accordance with the provisions of Article 12 or Article 13 or any Relevant Agreement or in contravention of Article 14, he shall be deemed immediately prior to such attempt to have given a transfer notice in respect of such share.
- 11.5 Where a transfer notice in respect of any share is deemed to have been given under any provision of these Articles or under any Relevant Agreement and the circumstances are such that the directors are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors receive actual notice of such facts and the provisions of Article 13 shall apply accordingly.
- 11.6 The directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted under these Articles if it is a transfer:
- (a) of a share on which the Company has a lien;
 - (b) of a share (not being a fully paid share) to a person of whom they shall not approve.

The first sentence of regulation 24 shall not apply.

- 11.7 Except as provided in Article 12, a member shall not be entitled to transfer part only of the shares held by him for the time being.

12 PERMITTED TRANSFERS

Subject always to Articles 11, 13.14 and 14:

- 12.1 (a) Any member being a body corporate may at any time transfer all of the shares held by it to a member of the same group (as hereinafter defined).
- (b) Where shares have been transferred under Article 12.1(a) (whether directly or by a series of transfers thereunder) from a body corporate ('the transferor company') to a member of the same group ('the transferee company') and subsequently the transferee company ceases to be a member of the same group as the transferor company then the transferee company shall forthwith notify the Company in writing and, if so required in writing by the Company or any member of the Company within 7 days after such notification, forthwith transfer the relevant shares (as hereinafter defined) to the transferor company; and failure so to transfer such shares within 7 days from the date of the said registration shall result in a transfer notice being deemed immediately to be given in respect of the relevant shares at a price determined in accordance with Article 13.4(b).
- (c) For the purposes of this paragraph:
- (i) the expression 'a member of the same group', means a company which is for the time being a holding company of which the transferor company is

a wholly-owned subsidiary or a wholly-owned subsidiary of the transferor company or of any holding company of which the transferor company is a wholly-owned subsidiary; and

- (ii) the expression 'relevant shares' means and includes (so far as the same remain for the time being held by the transferee company) the shares originally transferred to the transferee company and any additional shares issued or transferred to the transferee company by virtue of the holding of relevant shares or any of them.

- 12.2 Any member may at any time transfer all (but not some only) of his shares to any person holding shares of the same class.
- 12.3 Any member may at any time transfer all (but not some only) of his shares to any successor company or to any other company to whom all or a substantial part of the business of the holder of the shares may be transferred pursuant to a solvent amalgamation, reconstruction, merger or demerger of the holder of the shares of its Group.
- 12.4 Any member may at any time transfer all of his shares to any person with the prior written consent of all the other members.
- 12.5 A transfer of any share pursuant to this Article shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share free from all liens, charges and other encumbrances.

13. PRE-EMPTION RIGHTS

- 13.1 Except as provided in Article 12 or elsewhere in these Articles or any Relevant Agreement, before transferring or agreeing to transfer any share or any interest therein (including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or subscribe for such share) the person proposing to transfer the same ('the proposing transferor') shall be obliged to give notice in writing ('transfer notice') to the directors that the proposing transferor desires to transfer all (but not some only) of the shares then held by him.

In the transfer notice the proposing transferor shall specify:

- (a) the number and class of shares which the proposing transferor wishes to transfer ('the Transfer Shares');
- (b) the price at which the proposing transferor wishes to sell the Transfer Shares and the identity of any person who has indicated a willingness to purchase the Transfer Shares at such price;
- (c) A transfer notice shall also state that the proposing transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold). Any two or more members shall be entitled to serve a joint transfer notice (meaning a notice signed by each of them specifying the shares which they wish together to transfer containing a Total Transfer Condition) and such notice shall for all the purposes of this Article take effect as if it were a single transfer notice and

the Total Transfer Condition related to all the shares the subject of the joint transfer notice, but the obligations of those members thereunder or in respect thereof shall be several only in proportion to the number of Transfer Shares which they hold respectively.

- 13.2 The transfer notice shall constitute the directors as the agents of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given a transfer notice may not be revoked save with the prior written consent of all the other members.
- 13.3 Where a transfer notice is given in respect of more than one class of share it shall be deemed for the purposes of this Article to comprise a number of separate transfer notices, one in respect of each such class. However, where the proposing transferor simultaneously serves transfer notices in respect of more than one class of shares he may stipulate in such notices by reference to this paragraph of this Article that any Total Transfer Condition shall apply to all of such shares and not merely to one class only.
- 13.4 Within seven days after the receipt of a transfer notice the directors shall serve a copy of that transfer notice on all the members other than the proposing transferor. In the case of a deemed transfer notice the directors shall similarly serve notice on all the members (including the proposing transferor) notifying them that the same has been deemed to have been given.
- 13.5 Subject as provided otherwise in these Articles or in any Relevant Agreement the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price ('the Transfer Price') determined in accordance with Article 13.6.
- 13.6 (a) If the transfer notice is not a deemed transfer notice then the Transfer Price shall be the price specified by the proposing transferor in the transfer notice; or
- (b) If the transfer notice is a deemed transfer notice the Transfer Price shall be such price as shall be agreed in writing between all the members or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 21 days after the service of notices pursuant to Article 13.2 the Transfer Price will be determined by the auditors of the Company or if they shall decline or fail to act by an independent Chartered Accountant of not less than five years standing ('the Expert') who shall be nominated by agreement between all the members or failing such nomination within 7 days after the request of any member to the others therefor nominated at the request of any member by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not an arbitrator and his written determination shall be final and binding on the members. The Expert will certify (a) the value of the Company and its subsidiaries (if any) for the time being ('the Group') as at the date of the transfer and (b) the Transfer Price.

The Expert will certify the open market value of the Transfer Shares as at the date of the transfer notice on the following assumptions and bases:

- (i) valuing the Transfer Shares as on an arms length sale between a willing vendor and a willing purchaser;

- (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (iii) that the Transfer Shares are capable of being transferred without restriction;
- (iv) valuing the Transfer Shares as a rateable proportion of the total value of all the issued shares of the Company which value shall not be discounted or enhanced by reference to the class of the Transfer Shares or the number thereof.

Where the Expert has determined the Transfer Price as aforesaid the proposing transferor shall be entitled if the Transfer Price is not acceptable to him (save as otherwise provided in these Articles or in any Relevant Agreement) to revoke the transfer notice by giving notice in writing to the directors that he does so within a period of 14 days after the Determination Date (such period being herein referred to as 'the Withdrawal Period').

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit.

The Transfer Price shall be a sum equal to the open market value of the Transfer Shares determined as aforesaid divided by the number of Transfer Shares. The Company will use its best endeavours to procure that the Expert determines the Transfer Price within 21 days of being requested so to do.

- 13.7 If the determination of the Transfer Price is referred to the Expert the date of determination of the Transfer Price, ('the Determination Date') shall be the date upon which the directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between all the members as aforesaid then the Determination Date shall be the date on which such agreement is made. If the Transfer Price is determined pursuant to Article 13.6(a) then the Determination Date shall be the date upon which the directors receive the transfer notice.
- 13.8 Where the Expert has determined the Transfer Price as aforesaid the proposing transferor shall be entitled if the Transfer Price is not acceptable to him (save as otherwise provided in these Articles or in any Relevant Agreement) to revoke the transfer notice by giving notice in writing to the directors that he does so within a period of 14 days after the Determination Date (such period being herein referred to as 'the Withdrawal Period').
- 13.9 The costs and expenses of the Expert in determining the Transfer Price shall be borne as to one half by the proposing transferor and as to the other half by the purchasers (as hereinafter defined) pro rata according to the number of Transfer Shares purchased by them unless none of the Transfer Shares are purchased by the members pursuant to this Article by reason of the operation of Article 13.13 in which event the proposing transferor shall pay all of such costs and expenses.
- 13.10 Within 7 days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors in the first instance to those members who at the date of the offer are registered as the respective holders of shares of the same class as the Transfer Shares (other than (a) the proposing transferor or (b) any member to whom under Article 14 shares may not be transferred) and, in the case of a number of parties wishing to buy the same shares, such shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or selling to any member a greater number

of Transfer Shares than the maximum number applied for by him) to the number of shares of that class then held by them respectively. If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, the same shall be offered amongst the acceptors, or some of them, in such proportions or in such manner as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors think fit.

- 13.11 If all the Transfer Shares are not accepted by a member or members holding shares of the same class as the Transfer Shares within the time limits for acceptance (determined as below) or if there are no other holders of shares of that class the directors shall (in the former case) within 7 days after the expiration of such time as aforesaid, and (in the latter case) immediately, offer all the Transfer Shares to the members holding shares of the other class (other than any member to whom under Article 11 shares may not be transferred) and the provisions of Article 13.7 shall apply mutatis mutandis to such offer (save that in the case of competition the Transfer Shares shall be sold to the acceptors in proportion to the amounts paid up excluding any premium paid on subscription on the shares then held by them respectively).
- 13.12 Any offer made pursuant to Articles 13.10 or 13.11 shall be made by notice in writing and shall specify:
- (a) the number and class of the Transfer Shares;
 - (b) the proportionate entitlement of relevant member (on the assumption that there will be competition for the Transfer Shares);
 - (c) the Transfer Price;
 - (d) that the transfer notice contains a Total Transfer Condition; and
 - (e) a period (being not less than 21 days and not more than 42 days) within which the offer must be accepted or shall lapse.
- 13.13 (a) If by the foregoing procedure the directors shall not receive acceptance from members in respect of all of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to all the members, whereupon the holders of at least three quarters in nominal value of the issued shares of the company (excluding the shares held by the proposing transferor) shall be entitled within 14 days of the date of service of that notice to nominate (by giving notice in writing to the directors signed by each such holder or on his behalf and which may consist of several notices in the like form) any person or persons (whether or not a member) who has expressed his willingness in writing to purchase all of those Transfer Shares in respect of which acceptances have not been received at the Transfer Price as the purchaser(s) of all such Transfer Shares (and the directors shall be deemed to have made offers of such shares accordingly). Provided that if any such nominated purchaser shall fail to complete any such purchase in accordance with this Article the members who did not sign the aforesaid notice(s) shall be jointly and severally liable to complete such purchase in place of that nominated purchaser.
- (b) No offer of Transfer Shares made by the directors pursuant to this Article shall be capable of acceptance until all of the Transfer Shares shall have been accepted. If

by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor and none of the Transfer Shares will be sold to the members or any person or persons nominated pursuant to Article 13.13(a). The proposing transferor may within a period of 6 months after the date of the directors' said notice sell all (but not some only) of the Transfer Shares to any person at any price which is not less than Transfer Shares to any person at any price (after deducting, where appropriate, any net dividend or other distribution declared, paid or made after the date of the transfer notice in respect of the Transfer Shares and which has been or is to be retained by the proposing transferor).

- 13.14 If any member or members or person or persons nominated pursuant to Article 13.13(a) ('purchaser' or 'purchasers') shall within the period(s) of the aforesaid offers(s) agree to purchase all of the Transfer Shares the directors shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the purchasers and the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor (whose receipt shall be a good discharge to the purchaser, the Company and the directors therefor, none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.
- 13.15 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (who shall be deemed to be the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.
- 13.16 Without prejudice to the generality of Article 11(3), the directors may require to be satisfied that any shares being transferred by the proposing transferor pursuant to Article 13.10 (b) are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument to transfer.
- 13.17 (a) In this Article a 'Relevant Event' means:
- (i) in relation to a member being an individual:
 - (aa) such member becoming bankrupt; or
 - (bb) such member dying; or

- (cc) the happening of any such event as is referred to in paragraph (c) of regulation 81;
- (ii) a member making any arrangement or composition with his creditors generally;
or
- (iii) in relation to a member being a body corporate;
- (aa) a receiver, manager, administrative receiver or administrator is appointed of such member or all or any part of its undertaking or assets; or
- (bb) such member entering liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction);
- (cc) such member ceasing to be controlled (as defined by Section 840 of the Income and Corporation Taxes Act 1988) by the person(s) who controlled such member on the date on which it became a member of the Company or on the date of adoption of these Articles, (whichever shall be the later).

Notwithstanding paragraphs (a) (ii) and (a) (iii) of this Article 13.17 a transfer pursuant to a solvent amalgamation, reconstruction, merger or demerger of a member shall not be a Relevant Event.

- (b) Upon the happening of any Relevant Event the member in question shall be deemed to have immediately given a transfer notice in respect of all the shares as shall then be registered in the name of such member.
- (c) If the Relevant Event shall be the death or bankruptcy of a member and if the shares ('the unsold shares') which are offered to the members pursuant to the transfer notice deemed to be given under sub-paragraph (b) shall not be sold to the members (or any of them) then, after the expiration of the period during which the unsold shares might have been purchased by a member or members pursuant thereto, the person who has become entitled to the unsold shares in consequence of the death or bankruptcy of the member shall be entitled either:
 - (i) to sell the unsold shares to any person in the same manner and subject to the same conditions (*mutatis mutandis*) as a proposing transferor could under Article 13.1; or
 - (ii) to elect at any time to be registered himself as the holder of the unsold shares (but so that such election shall not give rise to any obligation to serve a transfer notice in respect of the unsold shares).

13.18 An obligation to transfer a share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

13.19 The provisions of this Article may be waived in whole or in part in any particular case with the prior written consent of all the members.

14. PROHIBITED TRANSFERS

Notwithstanding anything else contained in these Articles or any Relevant Agreement no share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

15. PROCEEDINGS AT GENERAL MEETINGS

- 15.1 Three members present in person or by proxy shall be a quorum of which one shall be or represent a holder of any of the "A" Ordinary Shares and two shall be or represent a holder of any of the "B" Ordinary Shares. Regulation 40 shall be modified accordingly.
- 15.2 Regulation 41 shall be read as if the words 'and if at the adjourned meeting a quorum is not present within half an hour from the time appointed therefor, or if during the meeting a quorum ceases to be present, such adjourned meeting shall be dissolved' were added to the end thereof.
- 15.3 In regulation 44 the words 'of the class of shares the holders of which appointed him as director' shall be substituted for the words 'any class of shares in the company'.
- 15.4 An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.
- 15.5 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.
- 15.6 The chairman of a general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply.
- 15.7 Any such resolution in writing as is referred to in regulation 53 may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

16. VOTES OF MEMBERS

- 16.1 Subject as provided below in this paragraph and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder; Provided that:
- (a) no Ordinary Shares of either class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of Ordinary Shares of the other class; and
 - (b) if at any meeting any holder of Ordinary Shares is not present in person or by proxy the votes exercisable on a poll in respect of the Ordinary Shares of the same class held by members present in person or by proxy shall be pro tanto increased (fractions of a vote by any member being permitted) so that such Ordinary Shares shall together entitle such members to the same aggregate number of votes as could be cast in respect of all the Ordinary Shares of that class if all the holders thereof were present in person.
- 16.2 Regulation 54 shall not apply.

17. ALTERNATE DIRECTORS

- 17.1 Any director (other than an alternate director or an Additional Director) may at any time appoint any person (including another director) to be an alternate director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be effected in like manner as provided in Article 19.4. The same person may be appointed as the alternate director of more than one director.
- 17.2 The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor ceases to be a director.
- 17.3 An alternate director shall be entitled to receive notices of meeting of the directors and of any committee of the directors of which his appointor is a member and shall be entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director of the relevant class. It shall not be necessary to give notices of meetings to an alternate director who is absent from the United Kingdom. If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. An alternate director shall not (save as aforesaid) have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.
- 17.4 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as an alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 17.5 Regulations 65 to 69 shall not apply.

18. DELEGATION OF DIRECTORS' POWERS

- 18.1 The holders of a majority of the "A" Ordinary Shares and the holders of a majority of the "B" Ordinary Shares together may at any time and from time to time revoke all or any of the powers delegated to any executive director pursuant to regulation 72 in writing in like manner as provided in Article 19.4.
- 18.2 The holders of a majority of the "A" Ordinary Shares may at any time and from time to time revoke all or any of the powers delegated to any "A" Director pursuant to regulation 72 in writing in like manner as provided in Article 19.4.
- 18.3 The holders of a majority of the "B" Ordinary Shares may at any time and from time to time revoke all or any of the powers delegated to any "B" Director pursuant to regulation 72 in writing in like manner as provided in Article 19.4.

18.4 Regulation 72 shall not be modified accordingly.

19. APPOINTMENT AND RETIREMENT OF DIRECTORS

19.1 The holders of a majority of the "A" Ordinary Shares shall be entitled by notice in writing to the Company to appoint two directors and by like notice to remove any of such directors and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed. Any director so appointed shall be an "A" Director.

19.2 The holders of a majority of the "B" Ordinary Shares shall be entitled by notice in writing to the Company to appoint four directors and by like notice to remove any of such directors and at any time and from time to time by like notice to appoint any other person to be a director in place of a director so removed. Any director so appointed shall be a "B" Director.

19.3 The holders of a majority of the "A" Ordinary Shares and the holders of a majority of the "B" Ordinary Shares shall be entitled together by notice in writing to the Company to appoint one additional director and any such additional director may be removed by notice in writing to that effect being given to the Company by either the holders of a majority of the "A" Ordinary Shares or the holders of a majority of the "B" Ordinary Shares. Any director so appointed shall be an Additional Director.

19.4 A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgement at the office or on delivery to a meeting of the directors or on delivery to the secretary.

19.5 Subject to Article 22.4 every director appointed pursuant to this Article shall hold office until he is either removed in manner provided by this Article or dies or vacates office pursuant to regulation 81 (as modified by Article 20) and neither the Company in general meeting nor the directors shall have power to fill any such vacancy.

19.6 Any director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine.

19.7 The directors shall not be subject to retirement by rotation and accordingly regulations 73 to 75 shall not apply and all other references in the regulations to retirement by rotation shall be disregarded.

19.8 No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply.

20. DISQUALIFICATION AND REMOVAL OF DIRECTORS

Regulation 81 shall be modified by deleting paragraph (e) thereof. The office of a director shall also be vacated if he shall be removed from office as hereinbefore provided.

21. PENSIONS

The directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any employees or ex-employees and to officers and ex-officers

(excluding "A" Directors and "B" Directors and ex "A" Directors and ex "B" Directors) of the Company or its predecessors in business or of any holding company or subsidiary of the Company or to the relations or dependents of any such persons and may establish, support and maintain pensions, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and/or their relations or dependents or any of them.

22. PROCEEDINGS OF DIRECTORS

Except during periods when there are, for whatever reason, no "A" Directors or no "B" Directors:

- 22.1 the quorum for the transaction of the business of the directors shall be three of whom one shall be an "A" Director and two "B" Directors; and
- 22.2 any committee of the directors shall include at least one "A" Director and two "B" Directors and the quorum for the transaction of the business of any such committee shall be three of whom one shall be an "A" Director and two "B" Directors.

In the event that at any duly convened meeting of the directors or of any committee of the directors meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day, and at such other time and place as an "A" Director and a "B" Director may agree in writing) and at such adjourned meeting the quorum shall be any three directors. If there shall not be any "A" Director or "B" Director (as the case may be) in attendance at three consecutive meetings then the fourth such meeting shall be deemed to be validly constituted notwithstanding that there is no "A" Director or "B" Directors (as the case may be) in attendance.

- 22.3 All business arising at any meeting of the directors or of any committee of the directors shall be determined only by resolution passed by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.
- 22.4 The "A" Directors and the "B" Directors together shall appoint an Additional Director to be chairman of the board of directors to act as such for three years. On the third anniversary of his appointment the directors may together remove that person from office and appoint another person in his place as provided in Article 19.3. If no chairman is appointed, or, if at any meeting of the directors he is unwilling to preside or is not present within 10 minutes after the time appointed for the meeting, those directors who are entitled to appoint the chairman, and who are present at the meeting, may appoint one of their number to be the chairman of the meeting. Regulation 91 shall not apply.
- 22.5 Unless otherwise agreed in writing by an "A" Director and a "B" Director in any particular case, at least 4 meetings of the directors shall be held each year and at not more than three monthly intervals. At least 14 clear days notice in writing shall be given to each director of every meeting of the directors, except any absent from the United Kingdom for the time being who have (a) (in the case of a director) nominated an alternate or (b) failed to furnish the company with an address abroad to which such notices may be forwarded. The third sentence of regulation 88 shall not apply to the Company.
- 22.6 Regulation 111 shall be read as if the words 'except that a notice calling a meeting of the directors need not be in writing' were deleted therefrom.

22.7 Each such notice shall:

- (a) be sent to the address notified from time to time by each director to the secretary (or, if there is none at that time, chairman) as his address for the service of such notice (or if no address has been so supplied, to his last known address);
- (b) contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting;
- (c) be accompanied by any relevant papers for discussion at such meeting; and
- (d) if sent to an address outside the United Kingdom, be sent by courier, telex or facsimile transmission.

22.8 Save as provided in paragraph (3), any such notice may be delivered personally or by first class prepaid letter and shall be deemed to have been served if by delivery when delivered and if by first class letter 48 hours after posting.

22.9 Except as may be agreed by all of the directors in any particular case, no business or resolution shall be transacted or passed at any meeting of the directors except as was fairly disclosed in the agenda for such meeting.

22.10 Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors as soon as reasonably practicable after the meeting shall have been held.

22.11 A director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with the Company shall not vote in respect of such transaction or arrangement or proposed transaction or arrangement such a Director shall count in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote. Regulations 94, 95, 96 and 98 shall not apply.

23. BORROWING POWERS

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 as otherwise provided in these Articles 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.

24. ACCOUNTS AND INFORMATION

Every member shall be entitled, either himself or through his agents duly authorised in writing, during Company's normal hours of business to inspect and take copies of the books of account and all other records and documents of the Company and each of its subsidiaries on giving not less than 48 hours' written notice to the secretary (or, if there is none for the time being, the chairman). The Company shall give each such member all such facilities as he may reasonably require for such purposes including the use of copying facilities. The Company may make a reasonable charge for any copies taken but otherwise shall not charge for any facilities requested as aforesaid. Regulation 109 shall not apply.

25. NOTICES

A notice sent by post shall be deemed to be given at the time when the same was posted. The second sentence of regulation 115 shall not apply.

26. INDEMNITY AND INSURANCE

- 26.1 Subject to the provisions of and so far as may be permitted by law, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.
- 26.2 The Company may purchase and maintain for any officer or auditor of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

27. OVERRIDING PROVISIONS

- 27.1 Notwithstanding the provisions of these Articles the directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.
- 27.2 Where the approval, agreement or consent of any member or director is required for any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.