

Company No : 3116518



The Companies Act 1985

PRIVATE COMPANY LIMITED BY SHARES

RESOLUTIONS

of

HASTINGS INSURANCE SERVICES LIMITED

Passed on 27th August 2002

AT an EXTRAORDINARY GENERAL MEETING of the above named company duly convened and held 57/63 Line Wall Road, Gibraltar on the 27th day of August 2002 the following resolutions were duly passed :

1. SPECIAL RESOLUTIONS

The Company having complied with the requirements of section 151- 158 of the Companies Act 1985 that the members of the Company having voted in favour of the resolutions set out below and in particular the company having complied with section 158 of the Companies Act 1985 with regard to resolutions set out below:

- 1.1 That the Company's Articles of Association contained in the printed document produced to the Meeting be approved and adopted without amendment as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company
- 1.2 The giving of financial assistance (as defined in Section 152 of the Act) by the Company as described in the statutory declaration made pursuant to Section 155 (6) of the Act, a copy of which is marked "A" and sworn by the directors of the Company and annexed hereto (the "**Statutory Declaration**"), be and is hereby authorised.

- 1.3 The documents set out below:
- 1.3.1 a debenture in favour of the Bank referred to in the Statutory Declaration (the "**Debenture**");
 - 1.3.2 a revolving credit facility from the Bank ("**Revolving Credit Agreement**");
 - 1.3.3 an intra-group loan agreement between the Company and Logan Consultants Limited (the "**Intra-Group Loan Agreement**");
 - 1.3.4 an unsecured £8.5 million loan from the Company to Logan Consultants Limited (the "**Unsecured Loan**");


(together the "**Documents**") be entered into on behalf of the Company notwithstanding that the giving of the guarantees and security by the Company pursuant to the Revolving Credit Agreement and the Debenture, the performance of the Company's obligations under the Debenture and Revolving Credit Agreement and the provision of facilities pursuant to the Intra-Group Loan Agreement and the provisions of facilities pursuant to the Unsecured Loan constitute financial assistance within Section 151 of the Companies Act 1985 (the "Act") and that subject to the procedures set out in Sections 155-158 of the Act being followed the giving of such financial assistance by the Company be approved.

- 1.4 The execution delivery and performance of the Documents referred to in paragraph 1.3 above (together with that of any ancillary documents referred to therein) is for the benefit of and in the best interests of the Company for the purposes of carrying on its business and that there is full and fair consideration to the Company for the obligations it is undertaking in respect thereof.
- 1.5 The Documents referred to in paragraph 1.3 above and any act done or document executed pursuant to any of the foregoing paragraphs of this written resolution shall be valid, effective and binding upon the Company notwithstanding any limitation on the borrowing or other powers of the directors of the Company contained in or incorporated by reference in the Company's Articles of Association (any such limitation being hereby suspended, waived, relaxed, or abrogated to the extent requisite to give effect to the foregoing resolutions).

2. ORDINARY RESOLUTIONS

IT WAS RESOLVED that notwithstanding the personal interests of Directors they are hereby specifically empowered, authorised and directed:

- 2.1 To give the Company's guarantee to the Bank as the repayment of all moneys obligations and liabilities now or hereafter due, owing or incurred from or by Logan Consultants Limited to the Bank.
- 2.2 To create and issue a charge over all stocks, shares and securities now or hereafter deposited by and on behalf of the Company with the Bank all charging documents produced at the Meeting as continuing security for all monies obligations and liabilities at any time due owing or incurred by the Company to the Bank.
- 2.3 Generally to arrange such facilities with the Bank as they see fit and sign on behalf of the Company and issue to the Bank any documents which might be required from time to time by the Bank in connection with any such facilities from time to time arranged.


.....
Director

Dated : 27th August 2002

Registered Office : Conquest House, Collington Avenue, Bexhill on Sea, East Sussex

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

No. 3116518

THE COMPANIES ACT 1985

CERTIFIED TRUE
COPY

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1 LIPPO'S BROTHER BENNETT

27th August 2002

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

HASTINGS INSURANCE SERVICES LIMITED

(Adopted by Special Resolution passed on
27th August 2002)

P. L. L. L.

1. PRELIMINARY

1.1 Definitions

In these Articles:

"*Act*" means, subject to paragraph 1.3 of this Article, the Companies Act 1985;

"*A Ordinary Share*" means an 'A' Ordinary Share of £1 in the capital of the Company;

"*A Ordinary Shareholder*" means a holder of an A Ordinary Share;

"*Articles*" means these articles of association, as from time to time altered;

"*Associate*" means any company 20 per cent or more of the equity share capital of which is beneficially owned from time to time by the Company and/or its subsidiaries (whether individually or in aggregate);

"*Auditors*" means the auditors of the Company from time to time;

"Banking Day" means a day (excluding Saturdays) on which banks are open for business in the City of London;

"Board" means the board of Directors of the Company as from time to time constituted;

"B Ordinary Share" means a 'B' Ordinary Share of £1 in the capital of the Company;

"B Ordinary Shareholder" means a holder of a B Ordinary Share;

"Business" means the accepting of risks, effecting of reinsurance and handling of claims with regard to direct dealing in insurance and other ancillary business;

"C Ordinary Share" means a 'C' Ordinary Share of £1 in the capital of the Company;

"C Ordinary Shareholder" means a holder of a C Ordinary Share;

"Group" means, except in Article 11, the Company and its subsidiaries from time to time;

"Holding Company" means a holding company as defined in section 736 and section 736A of the Act;

"Member of the Same Group" means, in relation to any company, a company which is for the time being the ultimate holding company of such company or a subsidiary of any such holding company;

"Ordinary Shares" means A Ordinary Shares, B Ordinary Shares and/or C Ordinary Shares as the case may be;

"Ordinary Shareholder" means a holder of Ordinary Shares;

"Prescribed Price" has the meaning given in Article 12.7;

"Subsidiary" means a subsidiary as defined in section 736 and section 736A of the Act;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985; and

"Transfer Notice" has the meaning given in Article 12.1

1.2 Same meaning as in the Act

Save as provided in Article 1.1 and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act.

1.3 Statutory Modification

In these Articles, unless expressly provided to the contrary, a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it and to any subordinate legislation made under it in each case for the time being in force.

1.4 Number, gender and person

In these Articles, unless the context otherwise requires:

- (A) words in the singular include the plural, and vice versa;
- (B) words importing any gender include all genders; and
- (C) a reference to a person includes a reference to a company and to an unincorporated body of persons.

1.5 Miscellaneous interpretation

In these Articles:

- (A) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form;
- (B) references to "executed" includes any mode of execution;
- (C) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
- (D) references to a power are to a power of any kind, whether administrative, discretionary or otherwise;
- (E) references to a committee of the Directors are to a committee established in accordance with these Articles, whether or not comprised wholly of Directors; and
- (F) reference to "designation" in the context of Ordinary Shareholders or Directors are to A, B or C Ordinary Shareholders or Directors as appropriate.

1.6 Headings

Headings are inserted for convenience only and do not affect the construction of these Articles

1.7 Articles and Regulations

In these Articles a reference to an Article is to a clause of these Articles and a reference to a Regulation is to a regulation in Table A.

2. TABLE A

The Regulations contained in Table A shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these Articles. Regulations 40, 50, 54, 64 to 69 (inclusive), 72, 73 to 18 (inclusive), 84, 88, 89, 93, 94, 95 and 118 in Table A shall not apply to the Company.

3. SHARE CAPITAL

The share capital of the Company on the date of adoption of these Articles is £5,000 divided into 3,750 A Ordinary Shares and 625 B Ordinary Shares and 625 C Ordinary Shares.

4. CLASSES OF SHARES

The shares of each class of shares shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions hereinafter appearing. The A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall, except where otherwise expressly provided herein, confer upon the holders thereof the same rights.

5. RIGHTS ATTACHING TO ORDINARY SHARES

The rights attaching to Ordinary Shares are as follows:

(A) Capital

On return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied first in paying to the holders of the Ordinary Shares a sum equal to the nominal amount of each Ordinary Share held by them and secondly the balance of such assets (if any) shall be distributed amongst the holders of the Ordinary Shares pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

(B) Income

Subject to the provisions of these Articles, any profits of the Company available for distribution and resolved to be distributed shall be distributed only amongst the holders of the A Ordinary Shares. The holders of the B Ordinary Shares and the C Ordinary Shares shall have no entitlement to participate. Every dividend

shall only be distributed to the A Ordinary Shareholders pro rata (as nearly as may be) according to the number of Ordinary Shares held by them respectively.

6. CLASS RIGHTS

- 6.1 Subject to Article 6.2 and without prejudice to any other provision of these Articles the Company shall not effect any of the following actions unless the holders of not less than 75% in nominal amount of the Ordinary Shares in issue shall have given their prior consent in writing:
- (A) any alteration to the Memorandum or Articles of Association of the Company or any act, matter or omission in breach of, or contrary to or inconsistent with the provisions of the Memorandum or Articles of Association of the Company;
 - (B) any consolidation or re-denomination of any shares of the Company into larger nominal amounts or any sub-division of the share capital of the Company into smaller nominal amounts;
 - (C) any alteration to any rights attaching to any class of shares of the Company;
 - (D) the issue of any shares or debentures in the Company or other securities convertible into shares or debentures of the Company (including by way of bonus, rights or otherwise) and/or the grant of any option or right to acquire or call for the issue of the same whether by conversion, subscription or otherwise;
 - (E) the redemption or purchase by the Company of any share or the reduction of the share capital, or any uncalled or unpaid liability in respect thereof, capital redemption reserve or share premium account of the Company or the passing of any resolution authorising any of the foregoing;
 - (F) the implementation of any compromise or arrangement within the meaning of section 425 of the Act or any scheme of composition with the Company's creditors;
 - (G) the passing of any resolution to wind up the Company save to the extent that the same is effected on the advice of the Company's auditors or solicitors that the Company would otherwise be trading wrongfully or fraudulently;
 - (H) the disposal of the whole or any substantial part of the Business to the extent that the same is effected on the advice of the Company's auditors or solicitors that the Company would otherwise be trading wrongfully or fraudulently;
 - (I) any significant change in the nature of the Business or the cessation of the Business;
 - (J) the paying up of any share capital or debenture or debenture stock of the Company by way of capitalisation or application of any profits or reserves (including share premium account and capital redemption reserve);

- (K) the giving of any guarantee or indemnity to secure the liabilities or obligations of any person;
- (L) the acquisition by the Company or any subsidiary of any real property;
- (M) the acquisition by the Company of any share capital or other securities of any body corporate (other than in or of any company which is already a wholly owned subsidiary) or the disposal by the Company of any share capital or security of any body corporate held by it or the creation of any subsidiary of the Company;
- (N) the change in the terms and conditions of the remuneration or other benefits of any kind of Director;
- (O) the borrowing by the Company (including amounts outstanding or borrowed under finance, hire purchase, operating, leasing, condition sale and other similar agreements) of amounts which when aggregated with all other borrowings (or indebtedness in the nature of borrowings) of the Company and all subsidiaries would exceed £1,000,000;
- (P) the creation of any fixed or floating charge lien (other than a lien arising by operation of law) or other security or encumbrance over the whole or any part of the assets or property of the Company or any subsidiary except for the purpose of securing borrowings from bankers in the ordinary and proper course of business or for securing borrowings otherwise permitted by Article 6.1(O);
- (Q) the entering into of any transaction other than at arm's length and in the ordinary course of business or any contract for a fixed term of more than one year or of an unusual potentially onerous nature; and
- (R) the adoption of any bonus or profit sharing scheme or any share option or incentive scheme or employee benefit trust or share ownership plan which the Company may from time to time adopt.

7. ISSUE OF SHARES

7.1 Pre-emption on issue

Subject to the provisions of Articles 6, 7 and 8, any share in the capital of the Company which are unissued from time to time shall be available for issue only as Ordinary Shares and shall before they are issued whether for cash or otherwise be offered to the holders for the time being of the issued Ordinary Shares in proportion, as nearly as may be, to their holdings.

7.2 Procedure for offering

The offer referred to in Article 7.1 shall be made by notice specifying the number of Ordinary Shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (being not less than 21 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time the Directors shall offer the Ordinary Shares which have been declined or are deemed to have been declined to the members who have within the said period accepted all the Ordinary Shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of such members to state in writing within a period of not less than 14 days whether he is willing to take any, and if so what maximum number, of the Ordinary Shares so offered.

7.3 Allotment of shares after offers

At the expiration of the time limited by the notice or notices given pursuant to Article 7.2 the Directors shall allot the Ordinary Shares so offered to or amongst the members who have notified their willingness to take all or any of such Ordinary Shares in accordance with the terms of the relevant offer. No member shall be obliged to take more than the maximum number of Ordinary Shares he has indicated his willingness to take. The Directors shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article.

7.4 Issue other than to members

No Ordinary Shares shall be allotted or issued to any person who is not immediately prior to such allotment or issue an Ordinary Shareholder.

7.5 Disapplication of statutory pre-emption provisions

Sections 89 and 90 of the Act shall not apply to the Company.

7.6 No renunciation of allotment

No Ordinary Shares shall be allotted on terms that the right to take up the Ordinary Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of an Ordinary Share may direct that such share may be allotted or issued to any other person.

7.7 Designation of shares

Ordinary Shares issued pursuant to Article 7.3 to a member by reference to his holding of A Ordinary Shares, B ordinary Shares or C Ordinary Shares shall on issue be designated an Ordinary Share of such class.

7.8 Waiver or variation

With the prior written approval of all the Ordinary Shareholders, any of the restrictions or other provisions of this Article may be waived or varied by the Directors in relation to any proposed issue of shares.

8 LIEN AND FORFEITURE

8.1 Lien to attach to all shares

In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted. The lien conferred by Regulation 8 of Table A shall attach to all shares registered in the name of any person indebted or under liability to the Company (or in the name of the nominee or bare trustee for any such person) whether he is the sole registered holder thereof or one of two or more joint holders and shall include a lien in respect of any such indebtedness or liability. Regulation 8 shall be modified accordingly.

8.2 Pre-emption on enforcement

All shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 7 as if they were unissued shares of the Company. Regulations 9 and 20 of Table A shall be modified accordingly.

9 VOTES OF MEMBERS

- 9.1 Subject to any special rights, privileges or restrictions attached to any shares forming part of the capital of the Company, at any general meeting of the Company on a show of hands every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by proxy or by a representative duly authorised under section 375 of the Act (not being himself a member) shall have one vote, and on a poll every member present in person, by representative or by proxy shall have one vote for every share of which he is the holder.
- 9.2 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, or other person authorised in that behalf appointed by that court, and any such receiver, or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 9.3 No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all monies presently payable by him in respect of that share have been paid.

- 9.4 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman at the meeting whose decision shall be final and conclusive.
- 9.5 On a poll, votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
- 9.6 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

Hastings Insurance Services Limited

I/We, _____, of _____, being a member/members of the above-named company, hereby appoint _____ of _____ or failing him _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on _____ 20 _____, and at any adjournment thereof.
Signed on _____ 20 _____."

- 9.7 Where it is desired to afford members an opportunity of instructing the proxy how he shall act, the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

Hastings Insurance Services Limited

I/We, _____, of _____, being a member/members of the being a member/members of the above-named company, hereby appoint _____ of _____ or failing him _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on _____ 20 _____, and at any adjournment thereof.
Signed on _____ 20 _____."

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 for/against
Resolution No 2 for/against

* Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this day of 20 ."

9.8 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Proxies may also be deposited at the Office at any time before the time of the meeting for which they are to be used unless otherwise specified in the notice convening such meeting; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Director; and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

9.9 A vote given or poll demanded by proxy or by the duly authorised corporate representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice of the termination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

9.10 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor.

10. GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES

10.1 General restriction on transfer

The right to transfer Ordinary Shares shall be subject to the rights and restrictions set out in Articles 10 to 13 inclusive and no Ordinary Share nor any interest therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions. Regulation 24 shall be construed accordingly.

10.2 Disposal of whole interest only

Save as permitted pursuant to these Articles no transfer, disposal, charge, mortgage, assignment or other dealing in any Ordinary Shares or any interest or right therein shall

occur other than the transfer of the whole legal and equitable title to such Ordinary Shares free from all liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof thereafter (and "transfer", in the context of a transfer of Ordinary Shares, shall be construed accordingly in these Articles).

11. PERMITTED TRANSFERS

- 11.1 The Directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles herein shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the Directors may request 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 reasonably 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.
- 11.2 Notwithstanding any other provision of these Articles no member may transfer any shares in the Company held by them in the Company without the written consent of the holders of the 'A' Ordinary Shares. The holders of the 'A' Ordinary Shares shall impose such reasonable conditions to such transfer as they may decide.
- 11.3 Without limiting the generality of the foregoing, for the purpose of these Articles:
- (a) "**Privileged Relation**" in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;
 - (b) "**Trust**" in relation to any member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that member and/or a Privileged Relation of that member and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any other than the trustees or such member or his Privileged Relations;
 - (c) "**Settlor**" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member.
- 11.4 Notwithstanding any other provision in these Articles a holder of Ordinary Shares may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Trust.
- 11.5 Notwithstanding any other provisions of these Articles any of the Ordinary Shares may at any time be transferred without the giving of a Transfer Notice where it is demonstrated to the reasonable satisfaction of the Board that the transfer is to a person (the "Permitted

Transferee"), which is Member of the Same Group as the Transferor provided that if any Permitted Transferee ceases to be a Member of the Same Group as the Transferor, it shall be the duty of the Permitted Transferee and the Transferor to notify the Board of such event and to procure that the Ordinary Shares concerned are forthwith transferred to the Transferor or to a Member of the Same Group as the Transferor.

12. PRE-EMPTION ON TRANSFER

12.1 Transfer Notice

Without prejudice to Article 11, where any member intends to sell any Ordinary Shares ("**Proposing Transferor**") such member shall give notice in writing ("**Transfer Notice**") to the Company of the proposed transfer of its/his Ordinary Shares ("**Sale Shares**") setting out the information below and, in the event that the Proposing Transferor shall have reached an agreement or an arrangement with a third party for the sale of the Sale Shares to such third party, the Proposing Transferor shall also state in the Transfer Notice :

- (a) the name of such third party,
- (b) the price per share at which the Sale Shares are proposed to be sold to such third party ("**Offer Price**");
- (c) all other material terms of the proposed transfer;
- (d) whether the Proposing Transferor wishes to sell the Sale Shares to be at the **Prescribed Price** and, if so, whether this is to be calculated on the **Preceding Accounting Year Basis** or the **Current Valuation Basis** (as those terms are defined in Article 12.7);
- (e) that unless all or a specified number of the Sale Shares are sold by the Company pursuant to this Article the Transfer Notice shall be withdrawn and any such provision shall be binding on the Company,

- 12.2 The Transfer Notice shall constitute the Company (acting by the Board) the Proposing Transferor's agent for the transfer of the Sale Shares and subject to article 12.1 (e) a Transfer Notice once given or required to be given or deemed to have been given shall not be revocable.

12.3 Offer of Sale Shares

- 12.3.1 The Sale Shares shall within 7 days of the date when the Transfer Notice is received by the Company be offered by the Company in writing for purchase by the other Ordinary Shareholders.
- 12.3.2 If the Prescribed Price shall be elected for by the Proposing Transferor or, within 14 days of the date of such offer, by any other Ordinary Shareholder the Directors shall within 21 days of the receipt of the Transfer Notice calculate the Prescribed Price of the Sale Shares and unless the Proposing Transferor and the other Ordinary Shareholders agree otherwise the Prescribed Price to be calculated shall be calculated on the Current Valuation Basis.

12.3.3 A copy of all such offers shall be sent at the same time to all Ordinary Shareholders on the following basis:

- (a) such offer shall first be made to the holders of the Ordinary Shares of the same designation as the Sale Shares and thereafter shall be made to the holders of Ordinary Shares of the other designations provided that B Ordinary Shares shall next be offered to the holders of C Ordinary Shares (and vice versa) before being offered to the holders of A Ordinary Shares.
- (b) Each offer made under Article 12.3.3 (a) shall specify a time (not being less than 14 days following the date of the offer or, if later, the date on which the Prescribed Price shall be determined within which it must be accepted failing which it will lapse
- (c) In the case of competition in respect of any such offer the Sale Shares so offered shall be allocated to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holding of the relevant class or classes of shares.

12.4 Notification of Purchasers

12.4.1 If the Directors shall within the period of 14 days, referred to in Article 12.3.3(b) find members (each such person called a "**Purchaser(s)**") to purchase the Sale Shares or any of them they shall give notice in writing thereof to the Proposing Transferor, upon payment of the Offer Price or the Prescribed Price as the case may be, the Proposing Transferor shall be bound to transfer such of the Sale Shares to the respective Purchaser(s).

12.4.2 If the Transfer Notice stated that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of such Sale Shares, the obligation in this Article to transfer shall not apply unless the Directors shall have found a Purchaser(s) for all the Sale Shares or not less than such specified number. Every such notice from the Directors shall state

- (a) the name and address of the Purchaser concerned; and
- (b) the number of shares agreed to be purchased by him.

12.4.3 The purchase shall be completed on the first Banking Day which is 30 days after the offer of Sale Shares is accepted or deemed to be accepted at the Offer Price or the Prescribed Price, as the case may be, at a place and time to be appointed by the Directors against payment of the Offer Price or the Prescribed Price and any relevant stamp duties.

12.4.4 The Proposing Transferor shall deliver transfers in favour of the Purchasers together with the share certificates in respect of the relevant Sale Shares and the Purchasers shall be registered as the holders of the relevant Sale Shares in the register of members of the

Company and share certificates in the names of such Purchasers and in respect of the relevant Sale Shares shall be delivered.

12.5 Failure to transfer

If in any case a Proposing Transferor, after having become bound to transfer any Shares to a Purchaser, shall make default in so doing or shall fail to deliver share certificates or a satisfactory indemnity in lieu in respect thereof the Director may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Purchaser and shall receive the purchase money and shall thereupon (subject to the transfer being duly stamped) cause the name of the purchaser to be entered into the register of members as the holder of the relevant shares. The Company shall hold the purchase money in trust for the Proposing Transferor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application thereof and after the name of the Purchaser has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

12.6 Purchasers not found for Sale Shares

If the Directors shall not within the period of 14 days referred to in Article 12.3.3 (b) find Purchasers willing to purchase all the Sale Shares (or any lesser number specified in the Transfer Notice for the purpose of Article 12.1) at the Offer Price or the Prescribed Price, as the case may be, or if the Directors shall give to the Proposing Transferor notice in writing that the Directors have no prospect of finding a Purchasers and the Proposing Transferor may transfer those Sale Shares for which the Company has not found (or has given notice that it has no prospect of finding) a Purchaser to any third party by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made in respect of the Sale Shares after the giving of the Transfer Notice and to be retained by the Proposing Transferor) and otherwise on the terms set out in the Transfer Notice provided that:

- (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of the Sale Shares it shall not be entitled to transfer any of such Sale Shares unless in aggregate the whole of such Sale Shares or, as relevant, not less than the specified number of such Sale Shares are so transferred;
- (b) the Directors may require to be satisfied that the Sale Shares are being transferred pursuant to a bona fide sale upon the material terms and for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser (other than in respect of any dividend or other distribution as referred to above) and if not so satisfied may refuse to register the instrument of transfer; and

12.7 Prescribed Price for Sale Shares

12.7.1 The Prescribed Price of the Sale Shares of the Proposing Transferor in respect of a Transfer may be either:

- (A) calculated in accordance with the formula set out in clause 12.7.2 below as at the Company's previous accounting reference date (the "**Preceding Accounting Year Basis**"); or
- (B) calculated in accordance with the formula set out in clause 12.7.2 below as at the date of the Transfer Notice ("**Current Valuation Basis**");

12.7.2 The Prescribed Price of each of the Sale Shares shall be calculated

12.8 Failure to complete by Purchaser

Where the Directors shall have found a Purchaser or Purchasers and through no default of the Proposing Transferor any purchase is not duly completed, the Directors shall forthwith notify the Purchaser or all of the Purchasers (as the case may be) and within 7 days of such notice being given the Purchaser or Purchasers between them shall not have duly completed the purchase of the Sale Shares in respect of which there has been default in completion, the Proposing Transferor shall be deemed to have served a Transfer Notice in respect of such shares and the procedure contained in this Article shall be repeated in respect of them.

13. SECRETARY

Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by the Directors.

14. CLASS MEETINGS AND VARIATION OF RIGHTS

14.1 Class meetings

Except as otherwise provided by these Articles, the provisions of these Articles relating to general meetings shall apply, with necessary modifications, to any meeting of the holders of shares of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

14.2 Variation of rights

All or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may, either with the prior consent in writing of the holders of not less than 75% of the issued shares of the class or with the sanction of an

extraordinary resolution passed at a separate meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise), to be varied or abrogated. To every such separate meeting the provisions of these Articles with respect to notice of and proceedings at general meetings shall mutatis mutandis apply, but so that the requisite quorum shall be two persons, present in person, by proxy or by corporate representative, holding or representing not less than one-third of the issued shares of the class (and so that if at any meeting of such holders adjourned pursuant to Regulation 41 a quorum as above defined is not present those members who are present shall be a quorum) and that any holder of the shares of the appropriate class, present in person, by proxy or by corporate representative and entitled to vote, may demand a poll.

15. BORROWING POWERS

Subject to Article 6.1 (O), the Board may exercise all the powers of the Company to borrow money and, subject to the provisions of these Articles, to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities.

16. PROCEEDINGS AT GENERAL MEETINGS

16.1 Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and remains present during the transaction of business. A person entitled to vote upon the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation or a proxy or representative of such A, B or C ordinary Shareholder, as appropriate. If at any adjourned meeting which has been so adjourned pursuant to Regulation 41 a quorum is not present within half an hour of the time appointed for the adjourned meeting the meeting will be dissolved. Regulation 41 will be construed accordingly.

16.2 Poll

A poll may be demanded at any general meeting by the chairman or any member present in person, by proxy or by corporate representative and entitled to vote. Regulation 46 of Table A shall be modified accordingly.

16.3 Signed Resolutions

A resolution executed or approved in writing by or on behalf of the holders of all the issued Ordinary Shares entitled to vote thereon shall be as valid and effective for all purposes as a resolution passed at a general meeting duly convened and held and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation the resolution may be signed on its behalf by a Director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

17 DIVIDENDS

- 17.1 Subject to the provisions of the Act, the Company may by special resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.
- 17.2 Subject to the provisions of the Act, the Directors may declare and pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. The Directors shall act in good faith that they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 17.3 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid upon the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 17.4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 17.5 Any dividend or other monies payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other monies payable in respect of the share.
- 17.6 No dividend or other monies payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

18. DIRECTORS

Subject as hereinafter provided, the number of Directors shall not be less than three nor more than eight in number, provided that the Company may by special resolution vary the minimum and/or the maximum number of Directors. If there be no Director or Directors able or willing so to act then any two members may summon a general meeting for the purpose of appointing a Director or Directors.

19. APPOINTMENT OF DIRECTORS

19.1 Appointment

The Ordinary Shareholders shall be entitled, to appoint, the Directors as the case may be, in each case in accordance with the procedure set out in Article 19.2, and, in each case, to remove any Directors so appointed by them.

19.2 Procedure for appointment

Any appointment or removal pursuant to Article 19.1 shall be decided upon by the A Ordinary Shareholders the B Ordinary Shareholders and/or the C Ordinary Shareholders by either:

- (A) a written direction signed by the Ordinary Shareholders of the relevant class, in each case holding a majority in nominal value of the issued Ordinary Shares of the class concerned; or
- (B) by an ordinary resolution passed at a separate meeting of the Ordinary Shareholders of the class concerned duly convened and held in accordance with the provisions of Article 14, provided that any such meeting may be convened by any holder of Ordinary Shares of the class concerned.

Any appointment or removal pursuant to Article 19.1 shall take effect upon delivery of the direction pursuant to Article 19.2 (A) or a written copy of the resolution passed pursuant to Article 19.2 (B) being delivered to the registered office of the Company, to a meeting of the Board or to the secretary.

19.3 Directors holding office

A Director holding office pursuant to Article 19 shall continue to hold such office until he is either removed pursuant to this Article 19 or vacates office pursuant to Article 24.

19.4 No Rotation

The Directors shall not be liable to retire by rotation, and accordingly in Regulation 79 of Table A the second and third sentences thereof shall be deleted and in Regulation 78

the words "and may also determine the rotation in which any additional Directors are to retire" shall be deleted.

20 ACCOUNTS

All members shall have the right to inspect any accounting records or other books or documents of the Company subject to prior written reasonable notice to the Secretary.

21. ALTERNATE DIRECTORS

21.1 Appointment and removal

Any Director (other than an alternate Director) may from time to time appoint any other Director or any person approved by the Board (such approval not to be unreasonably withheld or delayed) to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from office, and appoint another person approved as aforesaid in his place. Any appointment of an alternate Director may provide for two or more persons in the alternative to act as an alternate Director.

21.2 Notice of appointment or removal

Any such appointment or removal shall be by notice to the Company signed by the Director making or revoking the appointment and shall take effect upon service on the Company at its registered office or in any other manner approved by the Directors.

21.3 Notice of appointment or removal

Any such appointment or removal shall be by notice to the Company signed by the Director making or revoking the appointment and shall take effect upon service on the Company at its registered office or in any other manner approved by the Directors.

21.4 Cessation of appointment

An alternate Director shall ipso facto cease to be an alternate Director if his appointer ceases for any reason to be a Director.

21.5 Functions of alternate Director

An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of Directors, to attend, to be counted in the quorum for and to vote as a Director (with the same designation as the Director appointing him) at any such meeting at which the Director appointing him is not personally present and generally to perform all functions of his appointer as a Director in the absence of such appointer including, without prejudice to the generality of the foregoing, power to sign any resolution pursuant to Article 26.3.

21.6 Voting rights cumulative

A Director acting as an alternate shall have an additional vote at meetings of the Board for each Director for whom he acts as alternate but he shall only count as one person for the purpose of determining whether a quorum is present.

21.7 Alternate Director responsible for own acts

An alternate Director shall be deemed to be an officer of the Company and shall alone be responsible for his own acts and defaults and the Director so appointing him shall not be responsible for the acts and defaults of an alternate Director so appointed.

21.8 Remuneration

The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him and shall consist of such part (if any) of the last mentioned remuneration as may be agreed between the alternate Director and the Director appointing him.

21.9 Power to act

Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

21. NO SHARE QUALIFICATION

Neither a Director nor an alternate Director shall require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company.

22. DIRECTORS INTERESTS

A Director (including an alternate Director) who has duly declared his interest therein to the Board pursuant to section 317 of the Act may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration.

23. VACATION OF OFFICE

Without prejudice to the provisions of Article 19, the office of a Director shall be vacated:

- (A) if by notice in writing to the Company he resigns the office of Director;

- (B) if he shall for more than 6 consecutive months have been absent without permission of the Board from meeting of the Board held during that period, unless he shall have appointed an alternate Director who has not been similarly absent during such period;
- (C) if he is unable to pay a debt which is payable immediately or to have no reasonable prospect of paying a debt which is not immediately payable in either case within the meanings given to such expressions in section 268 of the Insolvency Act 1986;
- (D) if he is subject to an interim order under section 252 of the Insolvency Act 1986 or enters into a voluntary arrangement within the meaning given in section 253 of that Act;
- (E) if he is prohibited from being or is disqualified as a Director by an order made under any provision of the Insolvency Act 1986 or the Company Directors Disqualification Act 1986;
- (F) if he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health Act (Scotland) Act;
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (G) if he is removed from office under section 303 of the Act.

24. NO AGE LIMIT

Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy, and any person proposed to be appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of seventy, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be so appointed.

25 PROCEEDINGS OF DIRECTORS

25.1 Quorum

The quorum necessary for the transaction of the business of the Board shall be three, unless otherwise agreed from time to time by the Ordinary Shareholders and notified to the Company in writing, one shall be the Finance Director. A person who holds office only as an alternate Director shall, if his appointer is not present, be counted in the quorum.

25.2 Regulation of meetings

Unless otherwise determined in respect of each specified meeting by a majority of the Board which majority includes sufficient member and (if appropriate) designation of Directors to constitute a quorum for the business to be transacted at such specified meeting meetings of the Board shall be held at least four times in each calendar year. Save where urgent business arises where such period of notice is not practicable, a minimum of seven days notice of meetings of the Board accompanied by the venue for such meeting and an agenda of the business to be transacted (together with where practicable all papers to be circulated or presented to the same) shall be given to all the Directors. Subject as aforesaid, the Directors may adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes the Chairman of the board of Directors shall have a second or casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

25.3 Signed Resolutions

A resolution executed or approved in writing by all the Directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors. A resolution signed by an alternate Director need not also be signed by his appointer and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

25.4 Delegation to committees

The Directors may delegate any of their powers to a committee consisting of at least two Directors, of whom at any time after any B and/or C Directors have been appointed at least one shall be an A Director and at least one shall be a B Director or a C Director. No committee shall be entitled to transact any business which the Board would not be entitled to transact, and the provisions of these Articles with respect to the regulation of meetings of the Board shall apply, mutatis mutandis, to meetings of any committee.

25.5 Meetings by conference facilities

A meeting of the Board may consist of a conference between Directors some or all of whom are in different places provided that each Director who participates is able:

- (A) to hear each of the other participating Directors addressing the meetings; and

- (B) if he so wishes, to address each of the other participating Directors simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article 26.5 is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. Any Director may, by prior notice to the secretary, indicate that he wishes to participate in the meeting in such manner, in which event, the Directors shall procure that an appropriate conference facility is arranged.

26. INDEMNITY

Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 727 of the Act in which relief is granted to him by the courts, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Company may purchase and maintain for any officers or the Auditors insurance against any liability which by virtue of any rule of law would otherwise attach to him or them in respect of any negligence, default, breach of duty or breach of trust of which he or they may be guilty of in relation to the Company.