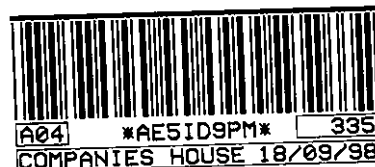


Company Number: 3127502



The Companies Acts 1985
Company Limited by Shares
Ordinary and Special Resolutions
of
LEISURE PARCS LIMITED

At an Extraordinary General Meeting of Leisure Parcs Limited held on 1 September 1998 the following resolutions were passed as Ordinary or Special Resolutions as appropriate:

ORDINARY RESOLUTION

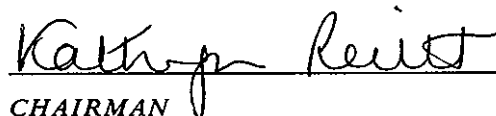
- "(A) THAT the authorised share capital of the Company be and is hereby increased from £100 to £1,000,000 by the creation of an addition 999,900 Ordinary Shares of £1 each, each ranking *pari passu* in all respects with the existing Ordinary Shares of £1 each in the capital of the Company;

SPECIAL RESOLUTIONS

- (B) THAT the Directors of the Company be and they are hereby unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot, grant options, rights of subscription or conversion over or otherwise dispose of any unissued shares in the Company to such persons (whether existing Members or not) at such times and on such terms and conditions as they think proper provided that the authority hereby granted to the Directors of the Company:
- (i) shall not permit the Directors of the Company to allot, grant options, rights of subscription or conversion over or otherwise dispose of shares in the Company to an amount of more than the unissued share capital of the Company from time to time during the currency of this authority;
 - (ii) shall expire:
 - (a) five years from the date of this Resolution, or
 - (b) (if this authority is renewed or varied by the Company in General Meeting) on the date specified in the Resolution on which the renewed or varied authority shall expire;

- (iii) may be renewed, revoked or varied at any time by the Company in General Meeting; and
 - (iv) shall entitle the Directors of the Company to make at any time before the expiry of this authority any offer or agreement which will or may require shares to be allotted after the expiry of this authority.
- (C) THAT, in accordance with Section 95(1)(a) of the Companies Act 1985, Section 89(1) of the Companies Act 1985 shall not apply to the allotment of any shares in the capital of the Company comprised in the authority given to the Directors of the Company pursuant to Resolution (B) above.
- (D) THAT the provisions of the Memorandum of Association of the Company with respect to its objects be and the same are hereby altered by deleting the existing sub-clause (a) of clause (3) of the said Memorandum in its entirety and by substituting therefor the following new sub-clause:-
- "(a) to co-ordinate the finances, administration and activities of any trading company or companies that is, are, or may hereafter be a subsidiary or associated with the Company.
 - (b) to invest the capital and other monies of the Company in the purchase, or to lend the same upon the security of shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind, issued or guaranteed by any company, corporation or undertaking of whatever nature, constituted or carrying on business in the United Kingdom or Great Britain."
- (E) THAT the Articles of Association contained in the printed document annexed hereto and signed by a Director for the purposes of identification be and are hereby adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of Association of the Company."

SIGNED


CHAIRMAN

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
LEISURE PARCS LIMITED

(Adopted by special resolution passed on 1 September 1998)

1. PRELIMINARY

1.1 In these Articles:

"Associated Company" means any parent undertaking or subsidiary undertaking from time to time of a Shareholder and any subsidiary undertaking of any such parent undertaking from time to time provided that neither the Company nor any of the Company's subsidiary undertakings shall be considered an Associated Company of any Shareholder.

"Board" means the board of directors of the Company from time to time.

"Director" means any director for the time being of the Company including, where applicable, any alternate director.

"Event of Default" means any one or more of the matters or events set out in Article 4.4.7.

"Loan Notes" means that form of debt instrument issued by the Company to any Shareholder in its capacity as a member of the Company together with all accrued but unpaid interest thereon (if any).

"Nominated Director" means a Director appointed by a Special Shareholder in accordance with the provisions of Article 6 of these Articles.

"Shareholder" means any person who holds a Share or Shares from time to time.

"Shares" means ordinary shares of £1 each in the capital of the Company from time to time.

"Shareholding Proportion" means the aggregate number of Shares in the capital of the Company held by a Shareholder expressed as a percentage of the total number of Shares in issue.

"Special Shareholder" means at any time any person who holds Shares with a nominal value equal to 10% or more of the aggregate nominal value of all the Shares in issue at such time but excluding any Shares held by such person which are disenfranchised under any of these Articles;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended at the date of adoption of these Articles. References to Regulations are to regulations in Table A.

1.2 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meanings as in Table A.

1.3 The Regulations contained in Table A shall apply to the Company except to the extent that they are excluded or varied by these Articles.

1.4 In Regulation 1, the words "and in articles adopting in whole or in part these regulations" shall be inserted after the word "regulations" in the first and last sentences.

2. SHARE CAPITAL

2.1 The authorised share capital of the Company at the date of adoption of these Articles is £1,000,000 divided into 1,000,000 Ordinary Shares.

3. ALLOTMENT OF SHARES

3.1 Except with the consent in writing of all of the members, any unissued Shares from time to time after the date of the adoption of these Articles shall before they are issued be offered to all the holders of Shares in proportion as nearly as may be to the number of existing Shares held by them respectively (and such offer shall be for subscription fully paid and otherwise on the same terms to each such holder). Such offer shall be made by written notice specifying the number of Shares offered, the proportionate entitlement of the relevant member, the price per share and a period (the "Initial Offer Period"), not being less than fourteen days but not more than 28 days, within which the offer, if not accepted in writing by notice to the Company, will be deemed to be declined. After the expiration of the Initial Offer Period the Board shall further offer the Shares declined or deemed to be declined (if any) to the persons who have, within the Initial Offer Period, accepted all the Shares offered to them in the same manner as the original offer and limited by a period of not less than seven days but not more than 14 days. At the expiration of the time limited by the notice(s) the Board shall allot the Shares so offered to or amongst the members who have notified their willingness to take all or any of such Shares in accordance with the terms of the further offer. No member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take.

3.2 Any Shares not accepted pursuant to Article 3.1 or not capable of being so offered except by way of fractions shall only be allotted subject to

such authority as may be conferred on the Board by the Company in general meeting from time to time provided that, in the case of Shares not accepted as aforesaid, such Shares shall not be allotted on terms which are more favourable to the subscribers of those Shares than the terms on which they were offered to the existing Shareholders.

- 3.3 Section 89(1) and sub-sections (1) to (6) of Section 90 of the Act shall not apply to the Company.

4. TRANSFER OF SHARES

- 4.1 The Board shall refuse to register any transfer of a Share unless it has been executed as permitted or required by the provisions of these Articles or registration has been agreed to in writing by all members of the Company.

4.2 Stapling

No transfer of any Shares by a Shareholder shall be registered unless it is accompanied by an assignment or transfer of such part of the Loan Notes held by such Shareholder ("the Stapled Loan Notes") to the transferee of the said Shares, as shall equal the proportion which the nominal value of such Shares represents to the nominal value of the total number of Shares held by such Shareholder at the time of such transfer (the "Transfer Proportion") (the purchase price for such Stapled Loan Notes to be the nominal value outstanding of such Stapled Loan Notes together with any accrued but unpaid interest thereon). An application for the transfer of any Shares shall be deemed to be accompanied by an application to transfer the Stapled Loan Notes relating thereto for the purposes of this Article 4.

4.3 Permitted Transfers

4.3.1 Subject to the provisions of Article 4.2:-

- (a) any Shareholder (for the purposes of this Article 4.3.1(a) "Original Shareholder") which is a body corporate may at any time transfer all (but not only some) of the Shares held by it to any of its Associated Companies (and in the case of Uberior Investments PLC, to any Associated Company of the Governor and Company of the Bank of Scotland ("BOS")) and any such Associated Company may at any time transfer all (but not only some) Shares to any other Associated Company of the Original Shareholder or in the case of Uberior Investments plc, of BOS provided that, if any such Associated Company ceases to be an Associated Company of the Original Shareholder or in the case of Uberior Investments plc, of BOS, then such Associated Company shall forthwith transfer all Shares held by it to the Original Shareholder or to any Associated Company of the Original Shareholder or in the case of Uberior Investments plc, of BOS;

- (b) any Shareholder (for the purposes of this Article 4.3.1(b) "Original Shareholder") which is a fund managed by Electra Fleming Limited ("Electra") may at any time transfer all (but not only some) of the Shares held by it to any other fund managed by Electra ("Transferee Fund") provided that, if any such Transferee Fund ceases to be managed by Electra then such Transferee Fund shall forthwith transfer all Shares held by it to the Original Shareholder or to any other fund managed by Electra; and
- (c) any Shareholder (for the purposes of this Article 4.3.1(c) "Original Shareholder") which is a company controlled by the owner of West Manor at the date of adoption of these Articles ("the Owner"), the Owner's immediate family or associated trusts of the Owner or the Owner's immediate family (together the "Controlling Entity") may at any time transfer all (but not only some) of the Shares held by it to any other a company controlled by another Controlling Entity ("Transferee Company") provided that, if any such Transferee Company ceases to be controlled by such Controlling Entity then such Transferee Company shall forthwith transfer all Shares held by it to the Original Shareholder or to any other company controlled by a Controlling Entity.

4.3.2 No Shareholder may transfer any Shares pursuant to a Sale Notice (as defined below) issued in accordance with this Article 4.3.2, other than pursuant to Article 4.3.1, or in accordance with Article 4.4.3, within two years of the date of the adoption of these Articles (save that this Article shall not restrict any transfer within such period pursuant to a Sale Notice having been deemed to have been issued or any transfer between Shareholders, in each case in circumstances agreed between the members of the Company). Subject as aforesaid and thereafter, any Shareholder wishing to transfer Shares held by that Shareholder other than pursuant to Article 4.3.1 ("Retiring Shareholder") shall first give a notice in writing ("Sale Notice") to the Company to that effect specifying the total number of Shares held by that Shareholder ("Sale Shares") (which shall be the subject of the Sale Notice), identifying the proposed purchaser (who shall be a bona fide arm's length purchaser and who may be another Shareholder) and specifying the price (or cash value of the consideration if not cash) per Sale Share which the proposed purchaser proposes to pay for the Sale Shares ("Notice Price"). The Sale Notice shall constitute the appointment of the Company as agent for the Retiring Shareholder for the sale of the Sale Shares at the Notice Price per Sale Share. The cash value of any consideration which is not cash shall be determined in accordance with Article 4.3.12.

4.3.3 Not later than seven days after receipt of a Sale Notice the Company shall serve a notice ("Offer Notice") on all other Shareholders offering to sell the Sale Shares at the Notice Price per Sale Share and specifying each other Shareholder's proportional entitlement ("Proportional Entitlement") to the Sale Shares calculated as nearly as may be in the same proportion which the nominal amount of each such Shareholder's existing holding of

Shares bears to the total nominal amount of Shares held by all Shareholders (other than the Retiring Shareholder) and the period during which the offer for sale of the Sale Shares shall remain open, which shall be a period of 21 days from the date of service of the Offer Notice (the "Acceptance Period"). The Offer Notice shall invite each such Shareholder to state in its acceptance the number of Sale Shares which it desires to purchase (which number may be in excess of its Proportional Entitlement).

- 4.3.4 If the other Shareholders do not all accept the offer contained in the Offer Notice in respect of their respective proportional entitlements in full, the Sale Shares not so accepted ("Excess Sale Shares") shall be allocated to those other Shareholders who desired to purchase more Sale Shares than their Proportional Entitlement ("additional Sale Shares") and if there are insufficient Excess Sale Shares to satisfy all requests for additional Sale Shares, then such Excess Sale Shares shall be offered to each other Shareholder which desired to purchase additional Sale Shares in the same proportion (as nearly as may be) which the proportion that the aggregate nominal amount of such Shareholder's Shares bears to the aggregate nominal amount of all the Shares held by the Shareholders desiring to purchase additional Sale Shares, provided that no Shareholder shall be required to acquire more Sale Shares than it shall have applied for and this process shall be repeated until either all the Sale Shares have been allocated under this Article 4.3.4 or each Shareholder has been allocated the number of Sale Shares which it desired to purchase under Article 4.3.3.
- 4.3.5 With regard to those Sale Shares agreed to be purchased in accordance with the procedure set out in Articles 4.3.3 and 4.3.4, the Company shall give notice thereof to the Retiring Shareholder and to each Shareholder who accepted the offer contained in the Offer Notice (which notice shall confirm the number of such Sale Shares to be acquired by that Shareholder) and the Retiring Shareholder and the Shareholders who accepted the Offer contained in the Offer Notice shall thereupon become bound to complete the sale and purchase of such Sale Shares in each case in respect of such number of Sale Shares as they accepted pursuant to such offer or if lower, as were allocated to them under Article 4.3.4 within 28 days of the date of the Offer Notice at the Notice Price per Sale Share.
- 4.3.6 If purchasers cannot be found for all the Sale Shares in accordance with the procedure set out in Articles 4.3.3 and 4.3.4 by the expiry of the Acceptance Period then the Company shall so notify the Retiring Shareholder as soon as reasonably practicable thereafter and, subject to Articles 4.1 and 4.3.7, the Retiring Shareholder shall be at liberty at any time within four months thereafter, and subject to the other provisions of these Articles, to transfer such Shares to the person named in the Sale Notice.
- 4.3.7 No Sale Shares shall be sold for a consideration (having a cash value determined in accordance with Article 4.3.12 if not wholly cash) lower than the Notice Price without the Retiring Shareholder first serving a

further Sale Notice upon the Company specifying such lower price or cash value of the consideration and the provisions of Articles 4.3.2 to 4.3.6 inclusive shall apply *mutatis mutandis* to such further Sale Notice, save that the Notice Price shall be such lower price or cash value.

- 4.3.8 For the purposes of this Article 4, the consideration for which any Sale Shares are sold shall be deemed to include any amount by which the value for which the Stapled Loan Notes relative to such Sale Shares shall be less than the total of the nominal amount outstanding of such Stapled Loan Notes and all accrued but unpaid interest thereon.
- 4.3.9 For the avoidance of doubt, the Retiring Shareholder shall not be entitled to transfer some, but not all, of the Shares held by it from time to time nor shall the Retiring Shareholder be required to sell some but not all of the Sale Shares pursuant to Article 4.3.5.
- 4.3.10 If the Retiring Shareholder fails to carry out the sale of any Sale Shares and the Stapled Loan Notes relative thereto to other Shareholders ("Transferees") in accordance with the provisions of Article 4.3.5, and for the purposes of securing its obligations under this Article 4.3.10, each Retiring Shareholder hereby irrevocably appoints the Company as its attorney to execute, complete and deliver in the name of and on behalf of the Retiring Shareholder, a transfer(s) of the relevant Sale Shares and the Stapled Loan Notes relative thereto in favour of the Transferee(s) against payment of the Notice Price per Sale Share and the nominal outstanding amount of the Stapled Loan Notes relative thereto (together with all accrued but unpaid interest on such Stapled Loan Notes) and the Company may give a good receipt for such purchase price for such Sale Shares and Stapled Loan Notes relative thereto and, subject to such transfer(s) being duly stamped, may register the Transferee(s) as holder(s) thereof and issue certificates in respect thereof (and such Retiring Shareholder shall be deemed to have already transferred the Sale Shares for the purpose of establishing the quorum and right to vote at any meeting convened to effect the actions of the Company pursuant to this Clause). The Retiring Shareholder shall in such case be bound to deliver up its certificate(s) for the Sale Shares and the Stapled Loan Notes (if any) to the Company and shall be entitled to receive the purchase price which shall in the meantime be held by the Company in trust for the Retiring Shareholder, but without interest subject to applying such sums on its behalf in settling any fees or expenses falling to be borne by the Retiring Shareholder.
- 4.3.11 After the name(s) of the Transferee(s) has/have been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings prescribed by these Articles, and their implementation shall not be questioned by any person.
- 4.3.12 For the purposes of these Articles, any consideration for any Sale Shares which may be satisfied other than in cash shall be deemed to have such value as one of the major accounting firms in the United Kingdom selected by the Special Shareholders shall, in its absolute discretion determine to be the market value of such consideration (assuming a willing

buyer and a willing seller) and such firm shall give a certificate to such effect to the Company. In the absence of agreement between the Special Shareholders as to the identity of such firm within 14 days of any Shareholder proposing a firm for this purpose (and for the avoidance of doubt, such proposal may be made prior to completion of the transfer in respect of which the non-cash consideration is offered), such firm shall be a firm independent of the Special Shareholders appointed by the President of the Institute of Chartered Accountants in England and Wales from time to time on the application of any Shareholder. Such firm shall be instructed to make its determination within 21 days of such instruction. Such firm shall act as an expert and not as an arbitrator, its decision shall (in the absence of manifest error) be final and binding and its fees for so acting shall be paid for by the selling Shareholder which is prepared to accept such non-cash consideration. If any such consideration for any Sale Shares requires to be determined under this Article 4.3.12, any time limits or periods contained in this Article 4 shall be suspended pending such determination and shall recommence on the second Business Day after the certificate as to the market value of such consideration has been provided to the Company.

- 4.3.13 This Article 4.3 shall be without prejudice to the provisions of Article 4.4 and any Mandatory Transfer shall have precedence over a Permitted Transfer.

4.4 Mandatory Transfers

- 4.4.1 If any Shareholder commits or suffers an Event of Default then, whilst such Event of Default is continuing, any other Shareholder shall be entitled in its entire discretion by written notice (a "Purchase Notice") to require such Shareholder ("Selling Shareholder") to sell all of the Shares held by the Selling Shareholder which shall comprise the Sale Shares for the purposes of this Article 4.4. A Purchase Notice must be served on the Selling Shareholder, the Company, and each Shareholder other than the Selling Shareholder and must state the Event of Default giving rise to the Purchase Notice.

- 4.4.2 If within 30 days after the date of the Purchase Notice the matter giving rise to such Event of Default, being capable of remedy, shall have been remedied such that it ceases to constitute an Event of Default, the Selling Shareholder shall give notice in writing to such effect to the Company and, provided that such notification shall be received within the said 30 day period, any Purchase Notice issued pursuant to such Event of Default shall be deemed to be invalid and all Shareholders shall be notified accordingly by the Company as soon as reasonably practicable. In any other case, promptly on the expiry of the said 30 day period or forthwith on service of the Purchase Notice if the matter giving rise to the Event of Default is not capable of remedy such that it ceases to constitute an Event of Default (and unless all Shareholders shall then agree on the price per share of the Sale Shares, in which event that price shall apply), any Shareholder may require the Company immediately to apply either to the President for the time being of the Institute of Chartered Accountants in England and Wales or, if he shall be unable or unwilling to make an

appointment, to the High Court of Justice in England, for the appointment of an expert (the "Expert") (acting as an expert and not as an arbitrator) to certify his opinion of the fair value as at the date of the Purchase Notice served (or deemed to be served) of each of the Sale Shares calculated on the basis of a sale of all the issued Shares, as a going concern, between a willing seller and a willing purchaser (and for the avoidance of doubt not based solely on the earnings of the Company at the date of such valuation) and not having regard to the fact that the transferability of the Sale Shares is restricted by these Articles or any agreement between the Shareholders and then divided by the number of issued Shares to give a fair value per Sale Share. The Company and the Shareholders shall render all such assistance and provide all such documentation and other information within their control to the Expert as the Expert may reasonably consider necessary, and shall use their respective reasonable endeavours to procure that the Expert shall issue his certificate ("Valuation Certificate") as soon as reasonably practicable. Notwithstanding the foregoing provisions if a Valuation Certificate shall have been issued pursuant to this Article 4.4.2 stating a fair value of Shares at a date within the three months preceding the expiry of the 30 day period referred to above, (and no event or matter shall have occurred in the intervening period which could be reasonably considered to be likely to have a material affect on the value of any of the Company's Shares) such earlier Valuation Certificate shall apply and no further reference to an Expert under this Article 4.4.2 shall be required to determine the fair value of the Sale Shares. The costs of the Expert in connection with the Valuation Certificate shall be borne by the Selling Shareholder and his certificate shall be final and binding on all the Shareholders.

4.4.3 On receipt of the Valuation Certificate or, if earlier, the agreement of the price per Sale Share in accordance with Article 4.4.2, the Selling Shareholder shall be deemed to have served a Sale Notice on the Company and the provisions of Article 4.3 shall apply so that:-

- 4.4.3.1 references to the Retiring Shareholder shall be to the Selling Shareholder;
- 4.4.3.2 references to the Notice Price per Sale Share shall be to the price per Sale Share agreed in accordance with Article 4.4.2 or as set out in the Valuation Certificate (as applicable);
- 4.4.3.3 the Offer Notice shall be accompanied by a copy of the Valuation Certificate (if applicable);
- 4.4.3.4 in the event of a Mandatory Transfer, if all of the Sale Shares are not agreed to be purchased in accordance with the procedure set out in Articles 4.3.3 and 4.3.4, the Company shall be entitled during a period of three months following the expiry of the Acceptance Period to nominate a bona fide third party who is not a Shareholder or an Associated Company of any Shareholder to purchase the Sale Shares at the Notice Price per Sale Share whereupon the provisions of

Articles 4.3.5 and 4.3.10 shall apply mutatis mutandis to such sales as if the other Shareholders had agreed to purchase the Sale Shares under Article 4.3.4 and in the event of the Company not so nominating a third party within such period, the Selling Shareholder shall be entitled within a period of two months thereafter to sell the Sale Shares in accordance with Article 4.3.6.

- 4.4.4 For the avoidance of doubt, where any Sale Shares fall to be sold under this Article 4.4, the relative Stapled Loan Notes shall also be sold at the same time in each case to the same transferee as such Sale Shares and at a price equal to the aggregate of the nominal amount outstanding of such Stapled Loan Notes and all accrued but unpaid interest thereon.
- 4.4.5 If a Purchase Notice is served under this Article 4.4 then from the date of service of the Purchase Notice until the earlier of either the relevant matter ceasing to constitute an Event of Default and the transfer of the Sale Shares in accordance with these Articles, the Sale Shares shall not give the holder thereof the right to attend or vote at general meetings of the Company.
- 4.4.6 For the purposes of this Article 4 and notwithstanding any other provisions of these Articles, references to the Board or the Directors or the Company agreeing, deciding on or taking any action or omitting to take any action shall be deemed to be references to the Directors, or the Company acting by the Directors, in each case excluding any Nominated Director whose appointor is the holder of the Sale Shares concerned.
- 4.4.7 For the purposes of this Schedule, a Shareholder shall have or be deemed to have committed or suffered an Event of Default if:
- (a) being a body corporate, any order is made or resolution is passed for its winding up or liquidation or it is dissolved (except for the purpose of a solvent reconstruction or amalgamation) or an administration order is made in relation to it; and/or
 - (b) being an individual, he dies or becomes bankrupt; and/or
 - (c) being a body corporate holding less than 15% by nominal value of the Shares in issue from time to time (other than a Shareholder who was a Special Shareholder on 1 September 1998 or an Associated Company of such a (former) Shareholder or any transferee of any of them and any subsequent transferee) it suffers a change of control, meaning the acquisition by a person of the majority of the issued share capital thereof or its becoming a subsidiary undertaking of a person, in each case being a person who does not at the date on which such Shareholder became a Shareholder in accordance with these Articles hold such a majority or (as the case may be) is not the parent undertaking of such Shareholder at such date; and/or

- (d) any encumbrancer takes possession or an administrative receiver or a receiver or trustee in bankruptcy is appointed of the whole or a substantial part of its or his undertaking, property or assets; and/or
- (e) it or he makes or enters into, or formally proposes that its shareholders and/ or creditors make or enter into, any arrangement or composition with or assignment for the benefit of its or his creditors; and/or
- (f) it or he fails to provide any moneys agreed to be provided by it or him in accordance with any agreement to which all the Shareholders are party from time to time subject to the expiry of any grace period provided in the relevant agreement if no other provision of this Article 4.4.7 applies.

4.4.8 Each Shareholder shall give notice to each of the other Shareholders, as soon as reasonably practicable, upon its becoming aware of the occurrence of any Event of Default either in respect of it or in respect of any other Shareholder.

4.5 Acquisition of Majority Interest

4.5.1 If a transfer or transfers of Shares (the "Majority Transfer") to a person (the "proposed transferee") would result in the proposed transferee and persons acting in concert to obtain control of the Company (as such term is defined by the City Code on Takeovers and Mergers) holding the legal or beneficial interest or both in more than 30 per cent by nominal value of all the Shares in issue of the Company at that time then, before the making of any such transfer or transfers, the proposed transferee must have made an offer in writing to all of the other Shareholders ("Offerees") in accordance with this Article 4.5 to acquire all the other Shares in issue at that time.

4.5.2 The offer referred to in Article 4.5.1 above must:

- (a) be in writing, identifying the proposed transferee and any persons acting in concert with it;
- (b) be open for acceptance in the United Kingdom for a period of at least 28 days following the making of the offer;
- (c) be on equal terms to all Offerees;
- (d) be on terms that the Offerees shall be entitled to receive for their Shares a sum in cash equal to an amount for each Share equal to the highest of (i) of the highest price and/or cash value of any non-cash consideration determined in accordance with Article 4.3.12 per Share paid or payable during the six months preceding the offer by any person (ii) the price proposed to be paid by the proposed transferee in

relation to the relevant transfer and (iii) the fair value of each Share determined in accordance with Article 4.4.2;

- (e) be on terms that any acceptance by each offeree is conditional upon the proposed transferee and those acting in concert with him as aforesaid acquiring Shares which together with those already held represent in excess of 50 per cent by nominal value of all the Shares in issue with the Majority Transfer and all acquisitions pursuant to this Article 4.5 being completed at the same time; and
- (f) include an offer to acquire all Loan Notes and other securities in the Company held by the other Shareholders (the consideration for such acquisition being the total of the nominal outstanding amount of such Loan Notes and/or other securities and all accrued but unpaid interest (or equivalent or similar rights) thereon.

4.5.3 In this Article 4.5 a "Qualifying Offer" shall mean a bona fide arms' length offer in writing by or on behalf of any person (the "Offeror") to the holders of the entire issued equity share capital in the Company to acquire all of the issued equity share capital of the Company and all Loan Notes for a specified amount of consideration which on acceptance will give rise to a binding contract (whether conditional or not) for the sale and purchase of such equity share capital and Loan Notes.

4.5.4 If the holders of not less than 76% of the equity share capital of the Company then in issue (the "Accepting Shareholders") wish to accept the Qualifying Offer, then the provisions of Articles 4.5.6 to 4.5.7 shall apply.

4.5.5 The Accepting Shareholders shall give written notice to the remaining holders of equity share capital of the Company (the "Other Shareholders") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer (but so that if the specified consideration is not wholly in cash, the Offeror shall be bound to pay to the Other Shareholders the equivalent value (determined in accordance with Article 4.3.12) of the specified consideration per equity share in cash together with the nominal outstanding amount of the Stapled Loan Notes relative thereto and any accrued but unpaid interest thereon in satisfaction of the payment of any Offer consideration to any Other Shareholder) and to transfer their Shares and Stapled Loan Notes relative thereto to the Offeror (or his nominee) with full title guarantee and to warrant that such Shares and Stapled Loan Notes relative thereto are sold free from all liens, charges, encumbrances and other equities on the date specified by the Accepting Shareholders.

4.5.6 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the equity shares and Stapled Loan Notes relative thereto held by him and deliver the certificate(s) (if any) in respect of the same (or a suitable indemnity in lieu thereof), then as security for the performance of its obligations

under this Article 4.5.7, each Other Shareholder hereby irrevocably appoints the Company as its attorney to execute, complete and deliver in the name of and on behalf of the Other Shareholder the necessary transfer(s) and indemnities against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares and Stapled Loan Notes relative thereto and the Company may, subject to such transfer(s) being duly stamped, register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.

- 4.5.7 The provisions of Article 4.3 shall not apply to any transfer pursuant to and in accordance with this Article 4.5.

5. GENERAL MEETINGS

- 5.1 General meetings shall be convened at intervals not exceeding 15 months and at any time at the request of a Shareholder. Notice of any general meeting shall be accompanied by an agenda specifying the business to be transacted together with copies of any documents to be tabled at the meeting (or, if such copies are not available, with reasonable details of such documents).
- 5.2 No business shall be transacted at any general meeting unless a quorum is present at the time the meeting proceeds to business. If such a quorum is not present within half an hour after the time appointed for the meeting, or if during the meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day and time in the following week. The quorum for the transaction of the business of the members of the Company shall be two members (or a sole member) present in person or by proxy or, in the case of a member being a body corporate by a duly authorised representative except that where there are any Special Shareholders, each Special Shareholder or its proxy or duly authorised representative shall require to be present to constitute a quorum save for any meeting so adjourned at which the quorum shall be any one member present in person or by proxy (or in the case of a member being a body corporate, by authorised representative). Regulations 40 and 41 shall not apply.
- 5.3 In regulation 42 "five" shall be substituted for "fifteen".
- 5.4 At least 14 days' notice must be given of any adjourned meeting (other than any adjourned pursuant to Article 5.2) and Regulation 45 shall be varied accordingly.
- 5.5 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded by the chairman of the Company or by any member of the Company present in person or by proxy or being a body corporate member by a duly authorised representative. Regulation 46 shall not apply.

- 5.6 The Chairman shall not, in the event of an equality of votes at any general meeting of the Company, or at any meeting of the Board or of a committee of the Board, have a second or casting vote. Regulation 50 shall not apply and Regulations 88 and 72 shall be modified accordingly.
- 5.7 A poll demanded on any question shall be taken forthwith. The first three sentences of Regulation 51 shall not apply.
- 5.8 A member may vote, whether on a show of hands or on a poll, in person or by proxy. The words "on a poll" shall be deleted from Regulation 59.
- 5.9 Unless otherwise specified in the notice convening any meeting, an instrument appointing a proxy may be deposited at the registered office of the Company at any time before the time of the meeting or adjourned meeting or be tabled at the meeting or adjourned meeting and, in the case of a poll, may be deposited at the registered office of the Company at any time before the time for taking the poll or be tabled at the taking of the poll. Regulation 62 shall be extended accordingly.
6. **DIRECTORS**
- 6.1 The quorum for the transaction of the business of the Directors of the Company shall be three Directors (such quorum always to include the Chairman and one Nominated Director) present in person or by an alternate. The first sentence of Regulation 89 shall not apply.
- 6.2 No Director shall be subject to retirement by rotation and Regulations 73 to 80 inclusive shall not apply.
- 6.3 Each Special Shareholder shall be entitled to appoint a Nominated Director for each complete 15% of the ordinary share capital it holds while it continues to be a Special Shareholder (and shall not lose the right to appoint the Nominated Director unless and until ceasing to be a Special Shareholder) and at any time to remove or substitute any Nominated Director so appointed by it by serving notice of such removal or substitution on the Company and appoint another Nominated Director in place of any Nominated Director so removed or who resigns or dies by serving notice thereof on the Company. Any such appointment or removal shall be made in writing signed by the Special Shareholder making it (and in the case of such Special Shareholder being a corporation, signed by any one of its directors or a duly authorised representative on its behalf) and shall take effect when delivered to the registered office of the Company or when produced at a meeting of the directors.
- 6.4 If immediately upon completion of any sale, assignment, transfer or other disposition of any Shares pursuant to the provisions of these Articles any Shareholder no longer has the right to appoint a Nominated Director pursuant to these Articles, that Shareholder shall forthwith procure the immediate removal or resignation of the relevant Nominated Director(s) appointed by it as may be required to bring the number of such

Nominated Director(s) to which it is entitled and Article 6.3, failing which the other Shareholders shall be entitled to remove such Nominated Director(s) from office under Article 6.3 as if such Nominated Director(s) were nominated by them (and in the absence of such removal or resignation each Nominated Director appointed by such Shareholder shall not be entitled to receive notice of, or attend or vote in person or as alternate at, any meeting of the Directors).

- 6.5 Each Nominated Director shall be entitled to nominate, remove and substitute one alternate. Any other Director shall be entitled to appoint any other Director as his alternate or, with the consent of all other Directors, any other person.
- 6.6 Any Special Shareholder whose Nominated Director is removed by it pursuant to Article 6.3 shall indemnify and keep indemnified the Company against any claim by such Nominated Director for unfair or wrongful dismissal or for compensation for loss of office arising out of such removal.
- 6.7 No Director or alternate Director shall be appointed or removed otherwise than pursuant to this Article 6, save as provided by law.
- 6.8 Not less than seven days' written notice shall be given of any meeting of the Board (unless all Directors agree prospectively or retrospectively otherwise for any particular meeting to shorter notice of such meeting) such notice to be accompanied by an agenda specifying the business to be transacted together with copies of any documents to be tabled at the meeting (or, if such copies are not available, with reasonable details of such documents). It shall be necessary to give notice of meetings of the Board to any Directors or alternates who are absent from the United Kingdom and the last sentence of Regulation 66 shall not apply. Any such notice can be given orally or by facsimile transmission to any Director or any alternate.
- 6.9 No business shall be transacted at any meeting of the Directors unless a quorum is present at the time the meeting proceeds to business. If a quorum is not present within half an hour after the time appointed for the meeting or if during the meeting a quorum ceases to be present, the meeting shall stand adjourned until the same day and time in the following week (or such other day and time as all the Directors (or their alternates) shall agree) and, at such adjourned meeting, the quorum shall be one Nominated Director.
- 6.10 The Directors attending at any meeting of the Board need not be present at one place provided that they are able to hear and communicate with each other by telephone or other instantaneous means throughout the proceedings. Unless the Directors determine to the contrary, the meeting shall be deemed to be held at the place where the majority of the Directors attending are present or, if there is no majority present in any one place, the place where the Chairman of the meeting is present.

- 6.11 Regulation 91 shall be varied so that the Chairman shall be a Director nominated by West Manor Limited (or his alternate). Regulation 93 shall apply as if the word "signed" included "approved by letter or facsimile transmission".
- 6.12 The interests of the Special Shareholder which appointed a Nominated Director and the interests of its Associated Companies shall be deemed to be the interests of the Nominated Director so appointed. An interest of a Director who appointed an alternate director shall be treated as an interest of the alternate director, without prejudice to any interest which the alternate director otherwise has, but not vice versa.
- 6.13 A Director may vote and act concerning any matter in which he has, directly or indirectly, an interest or duty whether or not the same is material and whether or not it conflicts or may conflict with the interests of the Company; and he shall be counted in the quorum present at any meeting of the directors or a committee of directors notwithstanding such interest or duty. Regulations 94 to 98 (inclusive) shall not apply.

7. **THE SEAL**

If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors so authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or a second Director. Regulation 101 shall not apply. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.

8. **NOTICES**

The last sentence of Regulation 112 and the words ", if any, within the United Kingdom" in Regulation 116 shall not apply.

9. **INDEMNITIES AND INSURANCE**

- 9.1 Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Companies Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by section 310 of the Companies Act. Regulation 118 shall not apply.

9.2

The Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.