



VENDCROWN LIMITED

("the Company")

MEMBERS' UNANIMOUS WRITTEN RESOLUTIONS

We, being all the members of the Company entitled to attend and vote at general meetings of the Company, unanimously resolve that the following resolutions are passed as written resolutions of the Company pursuant to its articles of association, namely:

- 1 That the 4,235,044 un-issued Redeemable Cumulative Preferential Shares of 0.1 penny each in the share capital of the Company, being all the un-issued Redeemable Cumulative Preferential Shares in the share capital of the Company, be and are immediately converted into:
 - (a) 1,106,670 "C" Ordinary Shares of 0.1 penny each, having the rights set out and being subject to the obligations set out in the articles of association of the Company to be adopted pursuant to Resolution 3; and
 - (b) 3,128,374 new "B" Ordinary Shares of 0.1 penny each, ranking equally in all respects with the existing "B" Ordinary Shares in the Company.
- 2 That the directors are generally and unconditionally authorised, pursuant to section 80 of the Companies Act 1985 (the "Act") and in replacement for any existing authorities granted to the directors, to allot relevant securities (within the meaning of section 80 of the Act), but without prejudice to the prior exercise of such authorities, to exercise all the powers of the Company to allot 1,106,670 'C' Ordinary Shares of 0.1 penny each provided that this authority shall expire five years from the date of the passing of this resolution (unless previously revoked, varied or extended by the Company in general meeting), except that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the directors may allot relevant securities in pursuance of any such offer or agreement as if this authority had not expired.

- 3 That the articles of association in the form attached to this written resolution are adopted as the new articles of association of the Company in substitution for the existing articles of association of the Company.

Signed:

.....
Colin Alan Ringrose


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On behalf of Nomihold Securities Ltd.

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On behalf of EF Nominees Ltd

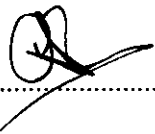
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On behalf of HSBC Gibbs Holdings Ltd

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On behalf of Kingsway Nominees Limited

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Dated 13 February 2003

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On behalf of EF Nominees Ltd

On behalf of HSBC Gibbs Holdings Ltd

On behalf of Kingsway Nominees Limited

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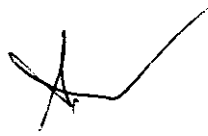
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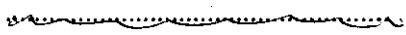
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On behalf of Nomihold Securities

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On behalf of EF Nominees Ltd


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On behalf of HSBC Gibbs Holdings Ltd


HSBC Insurance Markets Hong Kong Ltd.

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On behalf of Kingsway Nominees Limited



Dated 13 February 2003

Company no 3208019

THE COMPANIES ACTS 1985 AND 1989
A PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
VENDCROWN LIMITED

Adopted by written resolution passed on 13 February 2003

1. INTERPRETATION

1.1 In these Articles:

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

"A Ordinary Shareholder" means a person who holds "A" Ordinary Shares;

"B Director" means the director appointed as such pursuant to Article 8;

"B Ordinary Shareholder" means a person who holds "B" Ordinary Shares;

"C Ordinary Shareholder" means a person who holds "C" Ordinary Shares;

"HSBC Group" means HSBC Holdings PLC and any subsidiary undertaking or holding company from time to time of HSBC Holdings PLC;

"Listing" means the admission of any of the Company's shares to the Official List of the London Stock Exchange or to any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

"Loan Notes" means the £18,567,989 unsecured loan notes of the Company constituted by a deed poll dated 23 August 1996;

"2002 Loans" means (i) the unsecured loans in the aggregate amount of £1,957,813 made by Leon Stoffberg and William Hender to the Company as of 27 September 2002; and (ii) the facility agreement dated 28 November 2002 between the Company (as borrower) and Electra Private Equity Partners 1995, Electra Club Co Investment L.P. No.3 and HSBC Insurance Brokers Holdings Limited (each as lenders);

"Sale" means the transfer (whether through a single transaction or a series of transactions) of 50% or more of the "A", "B" and "C" Ordinary Shares in issue taken together to a person and any other person:

- (i) who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988; or
- (ii) with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

other than a person who is an original party to the Shareholders Agreement as an Investor and who is named in the definition of Shareholders Agreement or a person who has acquired shares pursuant to Articles 12.1 to 12.5;

"Shareholders Agreement" means any shareholders agreement entered into on 23 August 1996 between (1) the Company, (2) L. Stoffberg and others, (3) Mercury Trust Company (Switzerland) AG and others, (4) Electra Fleming Private Equity Partners, (5) Electra Club 1996 L.P., (6) E.F. Nominees Limited and (7) HSBC Gibbs Holdings Limited as amended or substituted from time to time.

- 1.2 Words and expressions defined in the Act have the same meanings in these Articles, unless inconsistent with the context.
- 1.3 The renunciation of a right to be allotted shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 9 to 14.
- 1.4 Where reference is made to redemption or transfer of shares or Loan Stock "in the same proportion", the redemption or transfer will be as near as may be and rounded to the nearest whole number.

2. TABLE A

- 2.1 The regulations contained in Table A in the Schedule to the Companies (Tables A-F) Regulations 1985, as amended ("**Table A**"), apply to the Company except to the extent that they are excluded by or inconsistent with these Articles.
- 2.2 The first sentence of regulation 24 and regulations 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply.

3. PRIVATE COMPANY

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

4. SHARE CAPITAL

The share capital of the Company at the date of adoption of these Articles is £19,386,556 divided into:

4,850,000 "A" ordinary shares of 0.1p ("**A** Ordinary Shares");

13,429,886 "B" ordinary shares of 0.1p ("**B" Ordinary Shares**"); and

1,106,670 "C" ordinary shares of 0.1p ("**C" Ordinary Shares**").

5. "C" ORDINARY SHARES

The rights attaching to the "C" Ordinary Shares are set out below.

5.1 In this Article:

5.1.1 "**Relevant Proportion**" means the proportion that 16.6% of the amount by which the Exit Value exceeds £100,000,000 represents to the Exit Value;

5.1.2 "**Exit**" means a Sale, Listing or liquidation of the Company; and

5.1.3 "**Exit Value**" shall:

(i) in the case of a Sale and Listing, bear the same meaning as in Article 7.4.4; and

(ii) in the case of a liquidation of the Company, mean the total amount to be distributed to the holders of shares in the Company

and if an Exit shall occur on or prior to 31 December 2003, the Exit Value shall also include the amount of any dividend (other than the "B" Dividend) paid to the "A" and "B" Ordinary Shareholders at any time during 2003; and

5.1.4 "**Subscription Price**" means the amount of £0.3615 per "C" Ordinary Share multiplied by the number of "C" Ordinary Shares held by a "C" Ordinary Shareholder.

5.2 Dividend

Before Exit, the "C" Ordinary Shares shall confer on the "C" Ordinary Shareholders no rights to any dividends paid by the Company. Following Exit, each "C" Ordinary Shareholder shall be entitled to receive the Relevant Proportion of each dividend paid by the Company after Exit pro rata to the number of "C" Ordinary Shares which he holds (as near as may be and rounded up to the nearest whole penny).

5.3 Return of capital

On a return of capital (whether on liquidation or otherwise), if the Exit Value exceeds £100,000,000 the assets of the Company shall be applied in paying to each "C" Ordinary Shareholder the Relevant Proportion of the Exit Value pro rata to the number of "C" Ordinary Shares which he holds (as near as may be and rounded up the nearest whole penny) and the Subscription Price. For the avoidance of doubt, the "C" Ordinary Shareholders shall not be entitled to receive any amounts on a return of capital if the Exit Value is less than or equal to £100,000,000.

5.4 Votes

- 5.4.1 Before an Exit, the "C" Ordinary Shares shall only confer on the "C" Ordinary Shareholders the right to vote on resolutions regarding the variation of the rights attaching to the "C" Ordinary Shares. Those rights may only be varied both before, on and after Exit in accordance with section 125 of the Act.
- 5.4.2 Following an Exit, each "C" Ordinary Shareholder shall be entitled to cast that number of votes that is equal to the Relevant Proportion of all votes entitled to be cast on any resolution proposed to holders of each shares of the Company pro rata to the number of "C" Ordinary Shares which he holds (as near as may be rounded up to the nearest whole number).

5.5 *Transfer*

- 5.5.1 The directors may not register a transfer of "C" Ordinary Shares unless it is permitted by or made in accordance with this Article 5.5.
- 5.5.2 Shareholders are not entitled to transfer "C" Ordinary Shares unless the transfer is permitted by or made in accordance with this Article 5.5.
- 5.5.3 No "C" Ordinary Share may be transferred other than:
- (a) with the written consent of the "B" Director; or
 - (b) to replacement trustees of a trust which holds "C" Ordinary Shares or to the trustees of a trust of which the only beneficiaries (and the only people capable of being beneficiaries) are the "C" Ordinary Shareholder who established the trust and who is transferring the relevant shares and/or his spouse and/or his lineal descendants by blood or adoption; and the trustees of such a trust may not transfer "C" Ordinary Shares under Article 5.5.3(b) other than to replacement trustees of the same trust; or
 - (c) to the issue, however remote, spouse, brother, sister, parent or remoter forbear and the spouse of any of the foregoing of a "C" Ordinary Shareholder; or
 - (d) in accordance with Article 11; or
 - (e) in acceptance of an offer by a proposed transferee made under Article 14; or
 - (f) as a result of the service of a Compulsory Transfer Notice under Article 16; or
 - (g) on and after Exit.

5.6 *Sale*

On any Sale, each "C" Ordinary Shareholder shall be entitled to sell his "C" Ordinary Shares for an amount equal to the Relevant Proportion of the Exit Value pro rata to the number of "C" Ordinary Shares which he holds (as near as may be and rounded up to the

nearest whole penny) and the Subscription Price relevant to that "C" Ordinary Shareholder.

6. "A" AND "B" ORDINARY SHARES

6.1 Except as provided otherwise in these Articles, "A" and "B" Ordinary Shares rank *pari passu* but they constitute separate classes of shares.

6.2 Subject to the rights of the "C" Ordinary Shareholders, on a return of capital on liquidation or otherwise the assets of the Company available for distribution among the holders of the "A" and "B" Ordinary Shares shall be applied in paying to such holders in the following order of priority:

6.2.1 first, a sum equal to any accrued and/or unpaid "B" Dividend (as defined in Article 6.3) in respect of the "B" Ordinary Shares;

6.2.2 secondly, any surplus shall be distributed among the holders of the "A" and "B" Ordinary Shares *pro rata* to the number of shares which they hold.

6.3 Subject to Article 6.4, from 1 January 2003 the "B" Ordinary Shareholders shall be entitled to an annual fixed dividend of a cash sum (excluding any associated tax credit) equal to £5,000,000 (the **"B" Dividend**). The "B" Dividend shall accrue from day to day and shall become payable in equal instalments of £2,500,000 on 30 June and 31 December in each year out of the profits of the Company available for distribution. Any unpaid "B" Dividend shall be carried forward (without any resolution of the board or of the Company in general meeting) as a debt owing from the Company to the "B" Ordinary Shareholders and may be paid to the "B" Ordinary Shareholders at any time prior to an Exit (as defined in Article 5.1.2). The right to the "B" Dividend shall have priority over the rights of the holders of any other class of shares.

6.4 Notwithstanding the provisions of Article 6.3, if an Exit (as defined in Article 5.1.2) occurs on or before 31 December 2003, the "B" Dividend shall lapse and no amounts in respect of the "B" Dividend shall be treated as accrued or owing to any person.

6.5 Any other dividends paid in respect of the "A" and "B" Ordinary Shares shall be paid *pro rata*.

7. REDEMPTION OF "B" ORDINARY SHARES

7.1 The provisions of Article 7 only apply if there is a Sale or Listing and the Unit Holders' Internal Rate of Return is 30% or more on the Relevant Date.

7.2 In the event of a Sale or Listing which gives the Unit Holders an Internal Rate of Return of more than 30% on the Relevant Date, then on the Relevant Date such number of "B" Ordinary Shares shall be redeemed as would result in holders of the "A" Ordinary Shares being entitled to a share of the Exit Value (which for the avoidance of doubt shall be calculated after taking into account any redemption of "B" Ordinary Shares pursuant to this Article 7.2) equivalent in the amount to the sum of:

- (i) X% of the sum of the Exit Value plus any amounts paid or to be paid (inclusive of associated tax credits) on any redemption of "B" Ordinary Shares pursuant to this Article 7.2; plus
- (ii) Y% of the sum of the Incremental Value plus any amounts paid or to be paid (inclusive of associated tax credits) on any redemption of "B" Ordinary Shares pursuant to this Article 7.2.

where X and Y are determined as follows:

If on the Relevant Date the number of "A" Ordinary Shares held by employees or former employees of the Company or any of its subsidiary undertakings, or by trusts established by such employees or former employees, is 4,850,000, then X shall be 33 and Y shall be 15. If the number of "A" Ordinary Shares so held is less than 4,850,000, then X and Y shall be reduced pro rata.

7.3 The **"Internal Rate of Return"** shall be calculated as follows.

7.3.1A Provided that the redemption of Loan Stock shall be deemed to have taken place on 31 August 1998.

7.3.1 In respect of each day from the Commencement Date to the Relevant Date inclusive there shall be ascertained:

- (i) the total amount of cash paid to the Company on that day for or in respect of each Unit (provided that the amount of cash paid for each "B" Ordinary Share shall be deemed to be £1); and
- (ii) the total amount of:
 - (i) all cash paid by the Company in respect of each Unit on that day, including any repayments or purchases of share capital or any redemption of Loan Notes and 2002 Loans and excluding any fees; and
 - (ii) any tax credit in respect of distributions and tax deducted from interest payments in respect of such Unit on that day.

The figure which results from deducting (i) from (ii) above is referred to below as the "cash flow for that day".

7.3.2 For the purposes of Article 7:

- (i) it shall be assumed that the Unit Holder still holds the Unit save to the extent that any part thereof has been repaid or purchased by the Company (so, for the avoidance of doubt, in the event of any redemption of Loan Notes or 2002 Loans the composition of the Unit will vary accordingly);
- (ii) in calculating the cash flow arising on the Relevant Date, the Unit Holder shall be deemed to have received in cash on that day, and accordingly there shall be included in the figure to be ascertained under Article 7.3.1 (ii);

- (i) that proportion of the Exit Value of the Company which is attributable to the "B" Ordinary Share comprised in the Unit (calculated after taking account of any redemption pursuant to this Article);
- (ii) if not already redeemed the amount paid upon redemption of the Loan Notes and 2002 Loans (or, in the case of a redemption on Listing to be paid immediately after the Listing) pursuant to Article 5 and the instrument constituting the Loan Notes and 2002 Loans; and
- (iii) the amount paid upon redemption of the "B" Ordinary Shares pursuant to Article 7.

7.3.3 The Internal Rate of Return is "r"

where "r" is the percentage such that the sum of the amounts calculated in accordance with the following formula and ascertained pursuant to Article 7.3.1 for each day from the Commencement Date to the Relevant Date inclusive is zero:

Cash flow for that day t

t - 1

365

(1 + r)

where t is 1 in respect of the Commencement Date, 2 in respect of the second day and so on (such that, for the avoidance of doubt, t equals 366 for the first anniversary of the Commencement Date).

7.4 In this Article:

7.4.1 **"Unit"** means, for the purpose of this Article, a notional unit comprising:

7.4.1.1 In respect of the period from 23 August 1996 up to and including 15 January 1999

- (i) 1 "B" Ordinary Share; and
- (ii) 12,787,453 Loan Notes
6,469,880

7.4.1.2 In respect of the period after 15 January 1999

- (iii) 1 "B" Ordinary Share;

7.4.1.3 In respect of the period after 21 March 2002

- (iv) 6,052,187 2002 Loans; and
6,469,880
- (v) 1 "B" Ordinary Share

and a **"Unit Holder"** is a holder of one or more "B" Ordinary Shares;

7.4.2 The **"Commencement Date"** is 23 August 1996 except that, in respect of Article 7.4.1(iii), the Commencement Date shall be the date of the deed poll constituting the Loan Notes and in 7.4.1(vii) the Commencement Date shall be the date of the deed poll constituting the 2002 Loans;

7.4.3 The **"Relevant Date"** on a Sale is the date of the Sale and the "Relevant Date" on a Listing is the day immediately before the Listing;

7.4.4 **"Exit Value"** means:

- (i) in the case of a Listing, the price per share at which ordinary shares in the Company are sold or offered in connection with the Listing (in the case of an offer for sale, being the underwritten price or, if an offer for sale by tender, the striking price under such offer or, in the case of a placing, the price at which shares are sold under the placing) multiplied by the number of ordinary shares in issue at the time of such Listing, but excluding any shares issued for the purpose of raising money for the Company as part of the Listing arrangements (whether in order to finance the redemption of shares or the repayment of loans or for any other reason whatsoever);
- (ii) in the case of a Sale, the total consideration received for 100 per cent. of the equity shares calculated as follows:-
 - (a) if the ordinary share capital of the Company is to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable, after expenses, in full on completion of the acquisition of 100 per cent. of such equity shares, such cash sum;
 - (b) if the Sale is pursuant to a public cash offer (or public offer accompanied by a cash alternative), the cash consideration or cash alternative price of 100 per cent. of such equity shares;
 - (c) if the Sale is by private treaty or public offer and the consideration is the issue of securities (not accompanied by a cash alternative):
 - (aa) if the securities rank *pari passu* with a class of securities already admitted to the Official List of The Stock Exchange or dealt in on a Recognised Investment Exchange (in the case of a sale by private treaty) the value attributed to such consideration in the related sale agreement for the terms of such offer, or, in the case of a sale following a public offer or failing any such attribution in the related sale agreement, by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the five business days prior to the day on which the offer for or intention to acquire the Company is first announced by the proposed purchaser; or

- (bb) if the securities are not of such a class, the value of such security as determined by the Expert as referred to in Article 7.6 below in a certificate obtained for the purpose and addressed to the holders of the shares in the ordinary share capital of the Company;
- (d) to the extent that the Sale includes an element of deferred consideration, its value shall be the present value of such deferred consideration agreed as referred to in Article 7.5 or, failing which, as determined and certified by the Expert as referred to in Article 7.6 below; and
- (e) to the extent that the consideration paid on a Sale is capable or subject to adjustment or a payment of damages may have to be made which reduces the value of the consideration received whether by way of retention, warranty claim, adjustments based on the financial position or profits of a company or otherwise howsoever, the amount (taking into account the timing of any payments) shall be agreed as referred to in Article 7.5 or, failing which determined and certified by the Expert as referred to in Article 7.6 below,

provided always that if the Sale comprises less than 100 per cent. of such equity shares, the consideration shall be grossed up accordingly;

7.4.5 **"Incremental Value"** means the Exit Value attributable to the "A" Ordinary Shares and the "B" Ordinary Shares less the amount which must be attributable to the "A" Ordinary Shares and the "B" Ordinary Shares (inclusive of any redemptions of "B" Ordinary Shares pursuant to Article 7.2) in order for the Internal Rate of Return in respect of each Unit to equal 30% on the Relevant Date.

7.5 For the purposes of this Article 7 the numbers of "B" Ordinary Shares to be redeemed shall either be agreed between the holders of not less than 50 per cent. in nominal value of the "B" Ordinary Shares on the one hand and the holders of not less than 50 per cent. in nominal value of the "A" Ordinary Shares on the other hand or, in the event of no agreement within 7 days of the event giving rise to the redemption, determined and certified by the Expert as referred to in Article 7.6.

7.6 If the numbers of "B" Ordinary Shares to be redeemed is not agreed in the manner provided by Article 7.5 it shall immediately be referred to an independent chartered accountant (the "Expert") for determination and certification. The Expert shall be an independent chartered accountant of not less than five years' standing who shall be nominated by agreement between the holders of 50 per cent. in nominal value of the "B" Ordinary Shares and the holders of 50 per cent. in nominal value of the "A" Ordinary Shares or (failing such nomination within 14 days of the event giving rise to the conversion) as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the request of any member or the Directors. Upon being nominated, the Expert shall determine and certify the Internal Rate of Returns and/or, as the case may be, such numbers of "B" Ordinary Shares to be redeemed and/or make any such determination contemplated above and the written

certificate of the Expert (acting as expert and not as arbitrator) as to the number of "B" Ordinary Shares to be redeemed shall (save in the case of manifest error) be conclusive and binding on the Company and its members (including the holders of any warrants or other securities). The reasonable costs of the Expert shall be borne by the Company.

7.7 The redemption of "B" Ordinary Shares shall take place in proportion as nearly as possible to each "B" Ordinary Shareholder's holding of "B" Ordinary Shares and in accordance with the following:

7.7.1 On the Relevant Date the Company shall pay the following amount in cash in respect of each "B" Ordinary Share to be redeemed:

- (i) the nominal amount of the share;
- (ii) a premium of 99.9p; and
- (iii) a sum equal to any accrued and/or unpaid Ordinary Dividend and/or "B" Dividend calculated to the date of return of capital and payable whether or not the Company has enough profits available for distribution to pay the accrued and/or unpaid dividends.

The amount payable in respect of all the "B" Ordinary Shares to be redeemed comprises the **"redemption money"**.

7.7.2 On the Relevant Date the redemption money shall become a debt due and payable by the Company to the "B" Ordinary Shareholders, whether or not the Company has enough profits available for distribution or other requisite funds to pay the redemption money.

7.7.3 On the Relevant Date the redemption money shall be paid to each "B" Ordinary Shareholder in respect of those "B" Ordinary Shares which are to be redeemed against receipt of the relevant share certificate or an indemnity in a form reasonably satisfactory to the Company in respect of a share certificate which cannot be produced. If a "B" Ordinary Shareholder produces neither the share certificate nor an indemnity the Company may retain his redemption money until delivery of the certificate or an indemnity.

7.7.4 The Company shall cancel share certificates in respect of redeemed "B" Ordinary Shares and issue fresh certificates without charge in respect of any "B" Ordinary Shares represented by those certificates and remaining outstanding.

7.7.5 As from the relevant Redemption Date the "B" Dividend shall cease to accrue on the "B" Ordinary Shares to be redeemed unless, despite presentation of the relevant share certificate or an indemnity, the Company fails to pay redemption money in respect of all the "B" Shares to be redeemed. In that case the "B" Dividend shall continue to accrue or be deemed to continue to accrue on the "B" Ordinary Shares in respect of which redemption money is outstanding.

8. "B" DIRECTOR AND OBSERVER

- 8.1 Electra Club 1996 LP (the "**Club**"), provided that it or its nominees or any of its permitted assigns pursuant to articles 12.1 to 12.5 hold any "B" Ordinary Shares, shall be entitled to appoint and remove a "B" Director. The initial appointment shall be made pursuant to the Shareholders Agreement. Subsequent appointments and removals shall be made by notice served on the Company. In the event that the Club or any such person ceases to hold "B" Ordinary Shares the entitlement to appoint and remove the "B" Director shall vest in Electra Partners Europe Limited provided that it manages the funds of a shareholder or if not the holders of 50% of the "B" Ordinary Shares.
- 8.2 If a person is entitled, pursuant to Article 8.1, to appoint a "B" Director but there is no "B" Director, then such person shall be entitled to appoint and remove an observer to the board, such appointment and removal shall be made by notice served on the Company. The observer shall have the same rights to receive notice and information and to attend meetings and speak as though he were a director save that he shall not be entitled to vote.

9. PROVISIONS APPLYING ON EVERY TRANSFER OF "A" AND "B" ORDINARY SHARES

- 9.1 The directors may not register a transfer of "A" or "B" Ordinary Shares unless:
- 9.1.1 it is permitted by Article 10, 11 or 12 or has been made in accordance with Articles 13 and, if appropriate, 14 or Article 11, 15 or 16; and
 - 9.1.2 if there is a Shareholders Agreement, the proposed transferee is a party to it or has entered into an agreement to be bound by the Shareholders Agreement in the form required by that agreement; and
 - 9.1.3 if the transfer is in connection with a Sale they are satisfied that the provisions of Article 5.6 have been complied with.
- 9.2 Shareholders are not entitled to transfer "A" or "B" Ordinary Shares unless the transfer is permitted by Article 10, 11 or 12 or has been made in accordance with Articles 13 and, if appropriate, 14 or Article 11, 15 or 16.

10. TRANSFER RESTRICTIONS FOR "A" ORDINARY SHAREHOLDERS

No "A" Ordinary Share may be transferred other than:

- 10.1 with the written consent of the "B" Director;
- 10.2 to replacement trustees of a trust which holds "A" Ordinary Shares or to the trustees of a trust of which the only beneficiaries (and the only people capable of being beneficiaries) are the "A" Ordinary Shareholder who established the trust and who is transferring the relevant shares and/or his spouse and/or his lineal descendants by blood or adoption; and the trustees of such a trust may not transfer "A" Ordinary Shares under Article 10.2 *other than to replacement trustees of the same trust*;
- 10.3 in accordance with Article 11;

- 10.4 to the personal representatives or beneficiaries of an "A" Ordinary Shareholder who has died and was an employee of the Company or any of its subsidiary undertakings, once the "A" Ordinary Shareholder's personal representatives can no longer be bound to sell shares pursuant to Article 11;
- 10.5 on and after Listing;
- 10.6 in acceptance of an offer by a proposed transferee made under Article 14; or
- 10.7 as a result of the service of a Compulsory Purchase Notice under Article 16.

11. COMPULSORY TRANSFER

- 11.1 Article 11 applies when an employee of the Company or any of its subsidiary undertakings who:

- (i) is a holder of shares of any class; and/or
- (ii) has established a trust which holds (or which owns a company which holds) shares of any class

ceases for any reason prior to an Exit to be an employee of the Company or any of its subsidiary undertakings (such that he is no longer employed by any such company).

- 11.2 Within two months after the cessation of employment, the board shall, unless the "B" Director requires otherwise, serve notice ("**Sale Notice**") requiring the shareholder (or his personal representatives in the case of his death) and each trustee of the trust, or as the case may be, each such company owned by the trust ("**Compulsory Sellers**") to offer all of their shares (together "**Sale Shares**"), if the Compulsory Sellers are "A" Shareholders and/or "B" Shareholders to the other "A" Shareholders and "B" Shareholders, and if the Compulsory Sellers are "C" Ordinary Shareholders to the other "C" Ordinary Shareholders. The Sale Notice shall make the Company the agent of the Compulsory Seller for the sale of the Sale Shares on the following terms, which the Company shall notify to the other relevant shareholders within seven days of the board serving the Sale Notice:

- 11.2.1 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;
- 11.2.2 each of the other holders of "A" and "B" Ordinary Shares is entitled to buy such of the Sale Shares as are "A" or "B" Ordinary Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing aggregate holdings of "A" and "B" Ordinary Shares.
- 11.2.3 each of the other holders of "C" Ordinary Shares is entitled to buy such of the Sale Shares as are "C" Ordinary Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing aggregate holdings of "C" Ordinary Shares;

11.2.4 each Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement, and a Shareholder may offer to buy any number of the Sale Shares which are not accepted by the other Shareholders ("**Excess Shares**");

11.2.5 the price for each Sale Share is the price which may be agreed between the Compulsory Sellers and, if the Compulsory Sellers are 'A' Shareholders and/or 'B' Shareholders with another 'A' Shareholder or 'B' Shareholders that wishes to purchase Sale Shares, and if the Compulsory Sellers are "C" Ordinary Shareholders with another "C" Ordinary Shareholder who wishes to purchase Sale Shares. As soon as a price for any of the Sale Shares has been so agreed the Compulsory Seller and the relevant buyer shall notify the price to the Company, and the Company shall, within seven days, notify the price to all the holders of "A" and "B" Ordinary Shares or "C" Ordinary Shares (whichever is relevant) ("**Price Notice**"). Such price shall then be the price for each of the other Sale Shares of the same class, notwithstanding that the Compulsory Seller may have agreed a different price with another shareholder for shares of the same class prior to such notification by the Company. The holders of the "A" and "B" Ordinary Shares or "C" Ordinary Shares (which ever is relevant) shall notify the Company within seven days after the date of the Price Notice whether or not they still wish to purchase Sale Shares, whereupon each such holder who has not responded to the offer in writing shall be deemed to have declined it, and each offer made to acquire Sale Shares ("**Offeree**") shall become irrevocable. If the Company is notified of offers for more Sale Shares than the number of Sale Shares, each holder who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received.

11.3 Within ten days after the Price Notice:

11.3.1 the Company shall notify the Compulsory Sellers of the names and addresses of the Offerees and the number of Sale Shares to be sold to each;

11.3.2 the Company shall notify each Offeree of the number of Sale Shares to be acquired by him; and

11.3.3 the Company's notices shall specify a date, between seven and 14 days later, on which the sale and purchase of the relevant Sale Shares is to be completed ("**completion date**").

11.4 By the completion date the Compulsory Sellers shall deliver stock transfer forms for the relevant Sale Shares, with the relevant certificates, to the Company. On the completion date the Company shall pay the Compulsory Sellers, on behalf of each of the Offerees, the agreed price for the relevant Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Sellers without any obligation to pay interest.

- 11.5 To the extent that Offerees have not, by the completion date, put the Company in funds to pay the agreed or certified price, the Compulsory Sellers shall be entitled to the return of the stock transfer forms and certificates for the relevant Sale Shares and the Compulsory Sellers shall have no further rights or obligations under the preceding provisions of Article 11 in respect of those Sale Shares.
- 11.6 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the completion date, the directors may (and shall, if requested by the "B" Director) authorise any director to transfer the Sale Shares on the Compulsory Seller's behalf to each Offeree to the extent the Offeree has, by the completion date, put the Company in funds to pay the agreed price for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.
- 11.7 While "A" Ordinary Shares are Sale Shares by virtue of Article 11.2, they may not be transferred under Article 10.1, 10.2, 10.3 or 10.4, but they may be transferred under Article 10.5, 10.6 or 10.7.
- 11.8 Any "A" Ordinary Shares which are transferred under this Article 11 to a person who is not an employee of the Company or any of its subsidiary undertakings, or a trustee of a trust established by such an employee (or established for the benefit of an employee or his family) or a company owned by such a trust, shall automatically be converted by redesignation into "B" Ordinary Shares ranking *pari passu* with the other "B" Ordinary Shares then in issue.
- 11.9 If:
- 11.9.1 no Sale Notice is served under Article 11.2; or
 - 11.9.2 no price has been agreed for any of the Sale Shares of a particular class within 21 days after the date of the Sale Notice; or
 - 11.9.3 any of the Sale Shares are not acquired pursuant to the preceding provisions of this Article 11

then the Compulsory Seller shall have no further rights or obligations under the preceding provisions of this Article 11 in respect of the relevant Sale Shares and any "A" Ordinary Shares or "C" Ordinary Shares comprised in the Sale Shares shall (unless the "B" Director specifies otherwise) automatically be converted by redesignation into "B" Ordinary Shares ranking *pari passu* with the other "B" Ordinary Shares then in issue. Provided that (whether or not they are converted as aforesaid) such shares shall (unless the "B" Director specifies otherwise) no longer confer on the holder any right to attend or vote at general meetings or class meetings. The Compulsory Seller shall be deemed to have irrevocably appointed Electra Partners Europe Limited (provided that it manages the funds of a shareholder, or if not, the holder for the time being of the largest number of "B" Ordinary Shares) as the attorney of the Compulsory Seller (for the

purpose of securing the proprietary interests of the holders of the "B" Ordinary Shares) for the purpose of giving any consent to meetings (or class meetings) being held on short notice and executing any stock transfer form pursuant to (and so that the Sale Shares constitute part of) a Sale on terms that the proceeds of sale of the Sale Shares are paid to the Compulsory Seller Provided that the Sale Shares are treated in a like manner to the other shares in the Company of the same class.

12. TRANSFER RESTRICTIONS FOR "B" ORDINARY SHAREHOLDERS

No "B" Ordinary Share may be transferred other than:

- 12.1 in the case of a "B" Ordinary Shareholder which is a body corporate, to a member of the same group (meaning a subsidiary or holding company of the body corporate or a subsidiary of a holding company of the body corporate) if the transferee gives an undertaking to the Company that if the transferee ceases to be a member of the same group, all its shares in the Company will, before the cessation, be transferred to another member of the same group;
- 12.2 in the case of a "B" Ordinary Shareholder which holds "B" Ordinary Shares as nominee or trustee for a limited partnership or unit trust which is primarily a vehicle for institutional investors:
 - 12.2.1 to another nominee or trustee for the limited partnership or unit trust;
 - 12.2.2 on a distribution in kind under the relevant partnership agreement or trust deed, to the partners of the limited partnership or their nominees or the holders of units in the unit trust or their nominees; or
 - 12.2.3 to a nominee or trustee for a limited partnership, unit trust or investment trust which is primarily a vehicle for institutional investors and which is advised or managed by the adviser or manager of the former limited partnership or unit trust;
- 12.3 in the case of a "B" Ordinary Shareholder which is an investment trust (as defined in The Listing Rules of the London Stock Exchange) whose shares are listed on the London Stock Exchange, to another such investment trust which is also managed by the manager of the "B" Ordinary Shareholder and in the case of any entity which is managed by Electra Partners Europe Limited (or any successor) thereto to any other entity which is so managed;
- 12.4 to a **"Co-Investment Scheme"**, being a scheme under which certain officers, employees or partners of an Investor (as defined in the Shareholders Agreement) or its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares which the Investor would otherwise acquire;
- 12.5 in the case of a Co-Investment Scheme which holds "B" Ordinary Shares through a body corporate or another vehicle, to:

- 12.5.1 another body corporate or another vehicle which holds or is to hold shares for the Co-Investment Scheme; or
- 12.5.2 the officers, employees or partners entitled to the "B" Ordinary Shares under the Co-Investment Scheme;
- 12.6 on and after Listing;
- 12.7 in acceptance of an offer made under Article 14;
- 12.8 in accordance with Article 13;
- 12.9 in the case of a "B" Ordinary Shareholder who is an employee of the Company or any of its subsidiary undertakings, or a trust (or a company owned by such a trust) established by such an employee, in accordance with Article 10, which shall apply *mutatis mutandis* (as if references to "A" Ordinary Shares and "A" Ordinary Shareholders were references to "B" Ordinary Shares and "B" Ordinary Shareholders respectively) to any "B" Ordinary Shares so held (and Articles 12.1 to 12.8 shall not apply to any "B" Ordinary Shares so held);
- 12.10 with the written consent of the holders of 90% or more of the "A" and "B" Ordinary Shares in issue taken together;
- 12.11 in accordance with Article 15; or
- 12.12 as a result of the service of a Compulsory Purchase Notice under Article 16.

13. PRE-EMPTION RIGHTS

- 13.1 A "B" Ordinary Shareholder ("**Selling Shareholder**") who wishes to transfer "B" Ordinary Shares to a person to whom none of Articles 12.1 to 12.7 and 12.10 and 12.12 apply shall serve notice on the Company ("**Sale Notice**") stating the number of shares it wishes to transfer ("**Sale Shares**") and its asking price for each share ("**Asking Price**"). For the avoidance of doubt, this Article 13 shall not apply to "B" Ordinary Shares referred to in Article 12.9.
- 13.2 The Selling Shareholder may state in the Sale Notice that it is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them.
- 13.3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms, which the Company shall notify to the other "B" Ordinary Shareholders within seven days of receiving the Sale Notice:
 - 13.3.1 the price for each Sale Share is the Asking Price;
 - 13.3.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;
 - 13.3.3 each of the other "B" Ordinary Shareholders is entitled to buy the Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their

existing holdings of "B" Ordinary Shares; a "B" Ordinary Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement;

13.3.4 "B" Ordinary Shareholders may offer to buy any number of the "B" Ordinary Shares that are not accepted by the other "B" Ordinary Shareholders ("**Excess Shares**");

13.3.5 any additional terms which apply pursuant to Article 13.2; and

13.3.6 21 days after the Company's despatch of the terms for the sale of the Sale Shares (the "**First Closing Date**");

(i) the Sale Notice shall become irrevocable;

(ii) a "B" Ordinary Shareholders who has not responded to the offer in writing shall be deemed to have declined it; and

(iii) each offer made by a "B" Ordinary Shareholder to acquire Sale Shares shall become irrevocable.

13.4 If the Company receives offers for more "B" Ordinary Shares than the number of Sale Shares, each "B" Ordinary Shareholder who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received.

13.5 If, by the First Closing Date, the Company has not received offers for all the Sale Shares, the Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the remaining Sale Shares on the following terms, which the Company shall notify to the "A" Ordinary Shareholders within seven days of the First Closing Date:

13.5.1 the price for each Sale Share is the Asking Price;

13.5.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;

13.5.3 each of the "A" Ordinary Shareholders is entitled to buy the remaining Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing holdings of "A" Ordinary Shares; an "A" Ordinary Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement;

13.5.4 "A" Ordinary Shareholders may offer to buy any number of the Sale Shares that are not accepted by the other "A" Ordinary Shareholders ("**Excess Shares**");

13.5.5 any additional terms which apply pursuant to Article 13.2; and

13.5.6 14 days after the Company's despatch of the terms for the sale of the remaining Sale Shares to the "A" Ordinary Shareholders (the "**Second Closing Date**");

(i) an "A" Ordinary Shareholder who has not responded to the offer in writing shall be deemed to have declined it; and

- (ii) each offer made by an "A" Ordinary Shareholder to acquire remaining Sale Shares shall become irrevocable.

13.6 If the Company receives offers for more Sale Shares than the number of remaining Sale Shares, each "A" Ordinary Shareholder who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received from "A" Ordinary Shareholders.

13.7 Within seven days after the First Closing Date (or if shares were offered to "A" Ordinary Shareholders pursuant to Article 13.5 the Second Closing Date), the Company shall notify the Selling Shareholder and the shareholders who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer:

13.7.1 the Company shall notify the Selling Shareholder of the names and addresses of the Shareholders who are to buy Sale Shares and the number to be bought by each;

13.7.2 the Company shall notify each shareholder of the number of Sale Shares he is to buy; and

13.7.3 the Company's notices shall specify any additional terms which apply pursuant to Article 13.2 and state a place and time, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed.

13.8 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 13.7, the directors may authorise any director to transfer the Sale Shares on the Selling Shareholder's behalf to the buying shareholders concerned against receipt by the Company of the Asking Price per share. The Company shall hold the Asking Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the buying shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares.

13.9 If, by the Second Closing Date, the Company has not received offers for all the Sale Shares, the Selling Shareholder may within the next two months transfer the Sale Shares for which offers were not received (or, if the Sale Notice stated that he was only willing to transfer all the Sale Shares, all the Sale Shares) to any person at no less than the Asking Price per share with any other terms being no more favourable than those in the Sale Notice.

14. TRANSFERS WHICH CHANGE CONTROL

14.1 Article 14 applies when a transfer of "A" or "B" Ordinary Shares made under Article 10.1, 11, 12.10, 13 or 16 would, if registered, result in a person and any other person:

- (i) who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988 (Provided that a party to the Shareholders Agreement shall not be a connected person of another such party solely because they are both parties to the Shareholders Agreement); or
- (ii) with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

(each being "**a member of the purchasing group**") holding or increasing a holding of 25% or more of the "A" and "B" Ordinary Shares in issue taken together.

Article 14 does not apply on a transfer of shares to a person who is an original party to the Shareholders Agreement as an Investor.

14.2 No transfer to which Article 14 applies may be made or registered unless:

- 14.2.1 it is agreed to in writing by Electra Partners Europe Limited and the holders of a majority of the "A" Ordinary Shares and a majority of the "C" Ordinary Shareholders; or
- 14.2.2 the proposed transferee has made an offer to buy all the other "A" and "B" Ordinary Shares, "C" Ordinary Shares and (unless they are redeemed on or before the relevant transfer) Loan Notes for the consideration agreed by the parties concerned which in the case of the "C" Ordinary Shareholders shall satisfy Article 5.6 unless the "C" Ordinary Shareholders agree otherwise, and the offer has closed and each accepted offer has been completed, unless failure to complete is the fault of the offeree and the proposed transferee has repaid to the relevant Shareholder(s) all outstanding amounts owed to such Shareholder(s) pursuant to the 2002 Loans.

15. **HSBC GROUP HOLDING**

If a shareholder who at the date of adoption of these Articles was a member of the HSBC Group (or who acquired "B" Ordinary Shares from any such member pursuant to Article 12.1) ceases at any time to be a member of the HSBC Group he shall forthwith notify the Company, and if he does not immediately transfer all his shares and Loan Notes to a person who is a member of the HSBC Group (which shall be a permitted transfer notwithstanding any other provision of these Articles) the Company shall be the agent of such shareholder for the sale of all such shares and Loan Notes on the terms of Article 13, mutatis mutandis.

16. **SELL-ALONG RIGHTS**

If the holders of 75% or more of the "A" and "B" Ordinary Shares in issue taken together have agreed to accept an offer to transfer their shares to the members of a purchasing group (including those already held by members of the purchasing group) then, by serving a "**Compulsory Purchase Notice**" on each other "A" and "B" Ordinary Shareholder and the "C" Ordinary Shareholders ("**Minority Shareholders**"), the members of the purchasing group may, by written notice served within one month after

such level of acceptances has been achieved, require all the Minority Shareholders to sell all their "A" and "B" Ordinary Shares and "C" Ordinary Shares to one or more persons identified by the members of the purchasing group for the relevant offer price.

The shares subject to the Compulsory Purchase Notices shall be sold and purchased in accordance with the provisions of Articles 11.4 to 11.6 *mutatis mutandis*:

- (i) the "completion date" being the date which is 14 days after the service of the Compulsory Purchase Notice;
- (ii) "Sale Shares" being the Minority Shareholder's "A" and "B" Ordinary Shares and "C" Ordinary Shares;
- (iii) "Compulsory Sellers" being the Minority Shareholders; and
- (iv) "Offerees" being the persons identified as purchasers in the Compulsory Purchase Notice.

While a Compulsory Purchase Notice is outstanding, the Minority Shareholders' shares may not be transferred otherwise than under Article 16.

Article 13 does not apply to transfers of shares made under Article 16.

17. [Intentionally Deleted]

18. GENERAL PROVISIONS

18.1 Shareholders' meetings and resolutions

- 18.1.1 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days" and by the insertion of the words "or the "B" Director acting alone" after the second word of that regulation.
- 18.1.2 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.
- 18.1.3 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.
- 18.1.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

- 18.1.5 Regulation 53 of Table A is modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly."
- 18.1.6 Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
- 18.1.7 Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it."
- 18.1.8 Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

18.2 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to any maximum and the minimum number is one.

18.3 Alternate directors

- 18.3.1 The "B" Director is entitled to appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director. That person need not be approved by resolution of the directors and regulation 65 of Table A is modified accordingly.
- 18.3.2 An alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A is modified accordingly.
- 18.3.3 Regulation 68 of Table A is modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

18.4 Appointment, retirement and removal of directors

- 18.4.1 The directors are not subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation is to be disregarded.
- 18.4.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 18.4.3 A person appointed by the directors to fill a vacancy or as an additional director need not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted.

- 18.4.4 The holders of a majority of the shares giving the right to vote at general meetings may at any time and from time to time by serving notice on the Company remove any director from office and appoint any person to be a director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice.

Article 18.4.4 does not apply to the removal or appointment of a "B" Director.

18.5 *Disqualification and removal of directors*

- 18.5.1 The office of a director shall be vacated if:

- (i) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (iii) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;
- (iv) he resigns his office by notice in writing to the Company;
- (v) he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated; or
- (vi) (other than in the case of the "B" Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors.

- 18.5.2 A person voting against a resolution under section 303 of the Act to remove the "B" Director is deemed, in respect of that resolution, to have three times the votes of a person voting in favour of the resolution and regulation 54 of Table A is modified accordingly.

18.6 *Proceedings of directors*

- 18.6.1 Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively."

- 18.6.2 A director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A

person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of the directors is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

18.6.3 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him, and regulations 88, 89, 91 and 93 of Table A and Article 18.6.2 shall not apply.

18.6.4 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

18.7 Borrowing powers of directors

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

18.8 Dividends

The directors may deduct from any dividend or other moneys payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.

18.9 Capitalisation of profits

The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares rank for dividends, so long as those shares remain partly paid, only to the extent that those partly paid shares rank for dividend and regulation 110 of Table A is modified accordingly.

18.10 Notices

18.10.1 Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: "A member whose registered address is

not within the United Kingdom shall be entitled to have notices given to him at that address."

- 18.10.2 A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, or 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.
- 18.10.3 Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".
- 18.10.4 Where the Articles require notice to be given by the holders of a stated percentage of shares, notice may consist of several documents in similar form each signed by or on behalf of one or more shareholders.

18.11 Indemnity

- 18.11.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director or secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 18.11.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director, secretary or auditor, or former director, alternate director, secretary or auditor, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether director or indirect), or who is or was trustee of a retirements benefit scheme or another trust in which a director, alternate director or secretary or former director, alternate director or secretary is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.